



# FLORIDA MUNICIPAL INSURANCE TRUST

October 1, 2019

**RE: Renewal Coverage Agreement for the 10/01/2019 – 9/30/2020 Coverage Year**

Dear Member of the FMIT Family,

Thank you for renewing with the Florida Municipal Insurance Trust (FMIT), administered by the Florida League of Cities (FLC). We appreciate your continued confidence and support and are so glad you are part of the FMIT family. As an FMIT Member, FLC staff will ensure you continue to receive high quality services and outreach. We look forward to our continued partnership throughout this 10/01/2019 – 9/30/2020 coverage year.

For more than four decades, the FMIT has been providing quality insurance and risk management solutions to Florida public entities, and the FMIT's fiscal position reflects one of financial strength with \$194 million in surplus and \$494 million in total assets. Additionally, all of FMIT's reinsurers are A-rated or better by A. M. Best. We continue to maintain a sound operating philosophy that equates to stability when you need us most.

With this letter, you will find your renewal Coverage Agreement. Please take some time to carefully review the document and give us a call should you have questions or comments.

Below are some of the highlights of the 10/01/2019 – 9/30/2020 coverage period:

- A summary of coverage agreement changes may be viewed on FMIT's website under your Member dashboard. You will see a hyperlink under **Your Insurance Policy** labeled **2019-20 Notice of Change in Policy Terms**.
- Cyber Liability (referred in the Coverage Agreement as "Information Security & Privacy Liability") has been a very topical coverage over the last few years. Cyber criminals are becoming increasingly more sophisticated and many organizations are not able to proactively prevent or detect data breaches due to limited human and financial resources. **Cyber Solutions** offers a robust selection of resources and training materials to help Florida Municipal Insurance Trust general liability policyholders successfully prepare for, investigate and respond to privacy or security breaches.
- Active Assailant Program: In recent times, we have seen a marked proliferation of domestic attacks. Certainly, if proper planning and training has not been put in place, and an attack results in loss of life, serious injury or substantial property damage, litigation can often follow. The Active Assailant Program is a comprehensive risk management program to assist in the assessment of potential threats and vulnerabilities, the development of effective contingency plans and a 24/7 response service in the event of an incident; thereby offering protection for an organization's people, property and reputation.
- Employment Law Advisor (ELA) is a preventative program available to those members with Employment Practices Liability through the FMIT. The ELA will give you legal guidance on employment practices liability issues from a Florida-based attorney with significant public sector employment law experience at **no cost** to you. Simply call **1-888-368-3648**.
- For FMIT Members with Property coverage, we continue to offer Property Damage Mitigation Coverage. With any Named Storm, many Members will experience property losses where services are needed, but the damages fall below the applicable Named Storm Deductible. This coverage allows FMIT to provide immediate stabilization services through its disaster recovery partnership with **Synergy** and its robust vendor network. Our goal is returning you to business-as-usual as efficiently as possible. This coverage offers a **\$500,000 per-occurrence limit with no deductible** and is in addition to your Extra Expense coverage and limits. These services were invaluable to Members after consecutive years of major weather events and proved to help Members in the Panhandle tremendously in the aftermath of Hurricane Michael in October 2018.

Once again, thank you for your continued support of the FMIT. We look forward to being your insurer of choice for many years to come. Please do not hesitate to contact us should you have any questions or concerns.

Sincerely,

Chris Krepcho, *Director of Insurance Services*

**FLORIDA LEAGUE OF CITIES  
SPONSORED INSURANCE PROGRAMS  
DECLARATIONS**

**I. DESIGNATED MEMBER:** Village of Palmetto Bay  
  
Address: 9705 East Hibiscus Street  
Palmetto Bay, FL 33157

**II. COVERAGE PERIOD**

From October 1, 2019 to October 1, 2020  
12:01 A.M. Standard Time at the address of the Designated Member.

**III. AGREEMENT NUMBER**

Florida Municipal Insurance Trust (FMIT)                      FMIT #1028

**IV. COVERAGES INCLUDED**

General Liability  
Automobile  
Property  
Workers' Compensation

**V. ESTIMATED ANNUAL PREMIUM**

Normal Premium	Expense Constant	Incentive Credit	Net Premium
\$431,646	\$200	\$(49,723)	\$382,123



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Signature of Authorized Representative

October 1, 2019

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Date

# FLORIDA MUNICIPAL INSURANCE TRUST

## CONDITIONS OF COVERAGE

As a Member of the Florida Municipal Insurance Trust, Member agrees to abide by all requirements, terms and conditions authorized by, and set forth within, the Agreement and Declaration of Trust creating the Trust, including the following generally applicable conditions of coverage:

### I. CONDITIONS

- A. The Member agrees in the event of payment of any loss by the Trust on behalf of the Member, the Trust shall be subrogated to the extent of such payment to all the rights of the Member against any party or other entity legally responsible for damages resulting from said loss, and in such event, the Member hereby agrees, on behalf of itself, its officers, employees, and agents to cooperate with and otherwise assist the Trust as may be necessary to effect any recovery sought by the Trust pursuant to such subrogated rights and to do nothing that will impair the rights of the Trust herein described. The Member further agrees, the Trust shall control all aspects of subrogation recovery efforts. In its discretion, the Trust may seek recovery of the applicable Member deductible or self-insured retention and in such event, will return to the Member the proportionate amount of the Member deductible or self-retention, less the proportionate amount of attorney's fees and related costs incurred by the Trust to effect the recovery.
- B. The Member agrees the Board of Trustees, its Administrator, and any of their other agents, servants, employees or attorneys, shall be permitted at all reasonable times and upon reasonable notice to inspect the property, work places, plants, works, machinery and appliances covered pursuant to this Agreement or any other agreement, certificate, document, or other instrument executed by the Member and the Trust pursuant to this Agreement, and shall be permitted at all reasonable times while the Member participates in the Trust, to examine the Members' books, vouchers, contracts, documents and records of any and every kind which show or tend to show or verify any loss that may be paid or may have been paid by the Trust on behalf of the Member pursuant to this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Trust pursuant to this Agreement, or which show or verify the accuracy of any contribution which is paid or payable by the Member pursuant to the terms of this Agreement, or any other agreement, certification, document or any other instrument executed by the Trust and the Member pursuant to this Agreement. The Member further agrees that in the event of a significant loss occurrence affecting insured property or premises, FMIT or its agents are expressly authorized to enter the insured property and premises to perform loss assessment, adjustment and related activities. However, neither the Trust, its Board of Trustees, its Administrator, nor any of their agents, servants or employees will have any liability to the Member or others because of any inspection or failure to inspect.
- C. The Member shall make prompt payment of all contributions as required by the Board of Trustees, said contributions to be determined by said Board. Contribution requirements may be estimated based on Member-provided information and subject to change pursuant to final audit. The Member shall fully cooperate with auditors of the Trust to promptly determine final audited contributions. Any disputes concerning contributions shall be resolved after payment. Any objections concerning the final

audited contribution shall be filed within 60 days of billing of the final audited contributions. After that time, the final audited contribution amount shall be considered final.

D. Members' duties after loss:

1. give the Trust prompt written notice of any accident, occurrence or potential claim along with all relevant information concerning the claim. The Member shall have a continuing duty to provide to the Trust all relevant information promptly as the Member becomes aware of such information; and
2. cooperate fully with the Trust in defense or settlement of claims or opposition to claims bills, and in the enforcement of any right of contribution or indemnity; and
3. forward to the Trust every notice, demand, summons or other process served upon the Member relating to any occurrence, and take no further action concerning the occurrence without the approval of the Trust or the servicing agent; and
4. take reasonable steps to prevent additional or cumulative bodily injury, personal injury or property damage from or arising out of the same or similar conditions or circumstances; and
5. not engage in settlement negotiations as to any claim or suit, and the Trust shall have no obligation to pay the amount of any settlement negotiated or agreed upon by a Member without prior written approval by the Trust or the servicing agent; and
6. agree to take all reasonable actions, where appropriate, which shall facilitate settlement of claims; and
7. agree to responsible counsel selected by the Trust to defend the claim and agree not to use the City Attorney or any other in-house or contract attorney used ordinarily by the Designated Member as general counsel to its operations to defend said action, unless otherwise provided in this Trust Agreement; and
8. keep all bills, receipts and related documents that establish the amount of loss; and
9. furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity and amount of loss claimed under the valuation provision of the Coverage Agreement; and
10. promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination; and
11. take all reasonable steps to protect the covered property from further damage; and
12. give notice of such loss to the proper authorities if the loss may be due to a violation of the law; and
13. refrain from any intentional efforts (whether by statements, actions or agreements) that: (1) harm, undermine, injure or conflict with the known legal strategy put forth by the Trust; (2) that are against the Member's self-interest or the interest of the Trust; (3) that are contrary to the Member's pecuniary or proprietary interest, or that of the Trust; or (4) that tend to subject the Member or the Trust to liability or expand existing liability;

E. Transfer of Member's rights and duties under this Agreement.

Members' rights and duties under this Agreement may not be transferred without our written consent. This applies to all coverages under this Agreement or any that may be added after the effective date of this Agreement.

Should the Members' rights and duties be transferred to a legal representative, they may act

only within their scope of duties with regard to this Agreement. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

- F. Required Member contributions shall be in addition to the deductible amount, if any, as set forth in the declarations to the Coverage Agreement. Where such deductible amount is required, coverages arising under this Agreement shall be in excess of such deductible. The Trust may pay on behalf of the Member all or any portion of the deductible amount and upon notification by the Trust of such payment, the Member shall promptly reimburse the Trust for any portion of the deductible the Trust has paid.
- G. In the event any claim or suit results in liability against the Member for which there is coverage under this Agreement and which is reasonably likely to be submitted to, or is submitted to, the legislative claims bill process in the Florida Legislature, the Member agrees, on behalf of itself, its officers, employees, and agents, that the Trust shall have the right to control its representation in such matter before the legislative branch of the state government. Further, the Member agrees to execute and deliver such instruments and papers as required by the Trust, to cooperate with any attorney or other representative retained by the Trust, to provide relevant testimony if required by the Trust, to do whatever else is reasonably necessary in the interest of defending such claim or suit in the legislative claims bill process and to do nothing that will impair or conflict with the rights of the Trust herein described. Additionally, the Member shall refrain from any intentional efforts (whether by statements, actions or agreements) that harm, undermine, injure or conflict with the known legal or legislative defense strategy being put forth by the Trust, that are against the Member's self-interest, that are contrary to the Member's pecuniary or proprietary interest, or that of the Trust, or that tend to subject the Member or the Trust to liability or expand existing liability.
- H. The Member agrees that in the event of any legal issue between the Trust and any Member requiring disposition by a court of law, including any determinations of whether and/or the extent to which coverage exists, this Agreement, or any other agreement, certificate, document, or other instrument executed by the Trust and the Member pursuant to this Agreement, shall be deemed to have been made in Orange County, Florida and venue shall lie in the appropriate state or federal courts of Orange County, Florida.

## FLORIDA MUNICIPAL INSURANCE TRUST

### COVERAGE AGREEMENT

#### APPLICABLE TO: GENERAL LIABILITY, AUTOMOBILE, PROPERTY AND ALLIED LINES

In consideration of the Designated Member's payment of the required contributions and the covenants and terms set forth in (a) the Conditions of Coverage, (b) the Member's Application for Participation including the statements and representations contained therein, (c) the Declarations and (d) the Coverage Agreement including coverage endorsements, terms, conditions, limits of liability, exclusions and other provisions thereof (a, b, c, and d hereinafter collectively forming and referred to as the "Coverage Agreement"), the Florida Municipal Insurance Trust (hereinafter the "Trust") hereby enters this Coverage Agreement with the Member as follows:

#### COVERAGE

The Trust will pay all sums which a Member becomes legally obligated to pay as Damages because of:

Bodily Injury  
Property Damage  
Personal Injury, or  
Advertising Injury

to which this Coverage Agreement and any endorsements thereto apply if caused by an Occurrence which takes place during the coverage period of this Coverage Agreement.

As a pre-requisite to any coverage provided by the Trust under this Coverage Agreement, the Member expressly agrees to each of the Conditions contained in the Conditions of Coverage provided with this Coverage Agreement, along with the provisions of the Coverage Agreement and Declaration of Trust creating the Florida Municipal Insurance Trust and any rules, policies and procedures adopted by the Trust, which shall be deemed part of this Coverage Agreement, whether expressly restated herein or not.

#### LIMIT OF LIABILITY

Regardless of the number of (1) Members covered by this Coverage Agreement, (2) persons or organizations who sustain injury or damage, or (3) Claims made or Suits brought because of bodily injury, property damage, personal injury or advertising injury, the liability of the Trust is limited as follows:

The most the Trust will pay for each covered Occurrence including, but not limited to, Damages, damage awards for derivative claims, taxable costs, claimant attorney's fees, and prejudgment or post-judgment interest, shall not exceed the sum shown in Declarations under the column referred to as "Limit" beside the respective line of coverage the Trust applies to the given Occurrence, when such line of coverage is part of the Designated Member's Coverage Agreement, subject to any further coverage restriction or limitation whose application is described with greater specificity elsewhere within the Coverage Agreement or the applicable endorsement. Unless otherwise specified, the costs and expenses necessary to investigate and defend any Claim or Suit to which this Coverage Agreement applies shall not reduce the Limit of Liability.

For the purpose of determining the limit of the Trust's liability, all Damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one Occurrence, as that term is defined herein.

## DEFENSE AND SETTLEMENT

The Trust will settle or defend, as it considers appropriate, any Claim or Suit demanding Damages covered by this Coverage Agreement. The Trust will defend any Suit against a Member which alleges a Claim for Damages covered by this Coverage Agreement even if such Suit is eventually found groundless, false or fraudulent. However, the Trust has no duty to defend or indemnify a Member in any Claim or Suit which alleges facts excluded or not covered by this Coverage Agreement.

In the event a Suit contains allegations which allege Damages which the Trust has a duty to defend and other allegations which allege Damages the Trust does not have a duty to defend, the Trust will defend the Suit subject to the terms, conditions, limits of liability and exclusions of the Coverage Agreement; however, undertaking such defense shall not obligate the Trust to pay any judgments, settlements or awards which a Member becomes legally obligated to pay for allegations to which coverage does not apply. The Trust's duty to defend ends when applicable Limits of Liability have been exhausted.

As a condition of coverage under this Coverage Agreement, the Member agrees that settlement of any Claim or Suit may involve the payment of proceeds and/or the taking or forbearing to take certain actions by the Member. Accordingly, the following requirements shall apply to all settlement efforts by the Trust and any party acting as the Trust's appointed representative or agent:

1. For any Occurrence resulting in a Claim or Suit for Damages, if the Trust gives written notice of its recommendation for settlement, including the payment of proceeds to settle a Claim or Suit and/or the taking or forbearing to take certain actions by the Member, and the Member does not affirmatively accept such recommendation within a reasonably requested time period contained in the notice, not to exceed thirty (30) days following receipt of such notice, the Trust's sole coverage obligation to the Member shall then not exceed the lesser of:
  - a. The sum for which the Claim or Suit could have been settled at the time set forth in the notice of the Trust's recommendation for settlement; and
  - b. The unpaid costs and expenses incurred by the Trust to defend the Claim or Suit through the date on which the Member was required to provide its affirmative acceptance of the recommendation for settlement; or
  - c. If less than the sum of a. and b. above, the unused portion of the stated limit of liability contained within the Declarations, less any self-insured retention or deductible amounts owed by the Member.
2. In its application of the foregoing provision, the Trust shall have no obligation to provide prior notice or obtain prior authorization of the Member or its legal counsel before making any proposed settlement, actual settlement or partial settlement of any Claim or Suit covered under this Coverage Agreement.

As a condition of coverage under this Coverage Agreement, the Member agrees:

1. For any Occurrence resulting in a Claim or Suit for Damages for which coverage under this Coverage Agreement is sought, the Trust, in its sole discretion, may investigate; settle; coordinate the defense of Claims or counts within Suits which may not be expressly covered by this Coverage Agreement but which provide strategic benefits through coordinated litigation; and/or use of any other Claim defense measures permitted by applicable state law or rules of attorney professional conduct, without the prior consent or approval of the Member.

2. The Trust shall have no obligation to retain more than one attorney to defend all Members involved in any Occurrence resulting in a Claim or Suit for Damages covered by this Coverage Agreement, absent a clearly expressed conflict of interest by the attorney initially retained by the Trust.
3. The Trust shall remain in control of the defense for any Occurrence resulting in a Claim or Suit for Damages for which the Trust is obligated to provide a defense or elects to provide a defense to the Member, notwithstanding any of the following:
  - a. There is more than one defendant against whom a Claim or Suit is brought;
  - b. There is any real or perceived conflict between or among the Trust, any Member or any defendant(s) involved in any Claim or Suit;
  - c. The Trust has reserved its right to deny or limit its coverage in any Claim or Suit;
  - d. The Trust or the Member initiates any Claim or Suit against any other Trust Member.
4. In the event any court of competent jurisdiction orders the Trust to provide attorney representation beyond the attorney(s) retained by the Trust to defend any Claim or Suit, the Member shall be entitled to the fees and charges for such court-ordered attorney representation only to the extent of usual, customary and reasonable legal fees and charges ordinarily paid to attorneys retained by the Trust.

#### **DEFINITIONS**

The following definitions apply throughout this Coverage Agreement unless modified or excluded:

- A. **Advertising Injury**, means injury arising out of an offense committed during the Coverage Agreement period occurring in the course of the Designated Member's advertising activities if such injury arises out of libel, slander, defamation, violation of right of privacy, oral or written publication of material, misappropriation of advertising ideas or style of doing business, or infringement of copyright, title, or slogan.
- B. **Agreement Territory**, means the United States of America, its territories and possessions, Puerto Rico and Canada.
- C. **Automobile**, means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. However, "automobile" does not include "mobile equipment" and does not include any vehicle designed for travel on public roads that is operating through use of autonomous technology without a licensed driver in position to provide active control.
- D. **Bert J. Harris, Jr., Private Property Rights Act Claim**, means a Claim alleging a cause of action authorized by section 70.001, Fla. Stat., as amended from time to time.
- E. **Blanket Coverage**, means in the event of a covered first-party property damage Claim, the Designated Member's property coverage limit of liability shall include the aggregate sum of agreed property values that were specified in the Statement of Values and upon which the coverage and premiums were underwritten for the relevant coverage period. A blanket coverage limit shall only apply when the designation "Blanket" is noted within the Property, Allied Lines and Crime Declarations page; shall only apply to covered property described at

a Scheduled Location; and shall be subject to any specifically capped property damage coverage limit agreed to and referenced in the Declarations.

- F. **Bodily Injury**, means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time resulting from an Occurrence during the period of this Coverage Agreement.
- G. **Communicable Disease** includes but is not limited to Acquired Immune Deficiency Syndrome (AIDS), and any other sexually transmitted disease.
- H. **Designated Member**, means the entity, organization or constitutional officer named in Item I. or V. of the Declarations of this Coverage Agreement; Designated Member does not include employees or agents of that entity or organization.
- I. **Designated Member's Products**, means goods or products manufactured, sold, handled, or distributed by the Designated Member or by others trading under his name, including any container thereof (other than a vehicle), but "Designated Member's Products" shall not include a vending machine or any other property rented to, or located for use of, others but not sold.
- J. **Elevator**, means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof; but does not include an automobile servicing hoist, a material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter.
- K. **Employee Benefit Program**, means any pension and profit sharing plan; individual retirement account (IRA) plan; salary reduction plan under Internal Revenue Code §§ 401 (k), 457(b) or similar retirement savings provisions; employee stock subscription plan, savings plan; group plan for life, health, dental, disability, automobile, home owners, or legal services insurance; social security system benefits; workers' compensation and unemployment insurance; travel, sick leave-time plan; vacation leave-time plan; or educational tuition reimbursement plan created, administered or endorsed by a Designated Member.
- L. **Employment Practices Liability** means liability arising from a Claim or Suit alleging Damages as a result of any of the following acts or omissions by the Designated Member which occur in its capacity as an employer:
  - 1. discrimination, (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
  - 2. employment-related misrepresentation(s) to an employee or applicant for employment with the Designated Member;
  - 3. failure to grant tenure;
  - 4. failure to provide or enforce adequate or consistent policies and procedure relating to any Employment Practices Violation;
  - 5. harassment (including sexual harassment whether "quid pro quo", hostile work environment or otherwise);
  - 6. retaliation (including lockouts) or alleged employment decisions involving violation of any state or local whistleblower protection law;

7. wrongful deprivation of career opportunity, wrongful demotion or negligent employee evaluation, including the giving of negative or defamatory statements in connection with an employee reference;
  8. wrongful discipline;
  9. wrongful dismissal, discharge or termination, either actual or constructive;
  10. wrongful failure to employ or promote; and
  11. violation of an individual's civil rights relating to any of the above but only if the alleged act or omission relates to an employee or applicant for employment with the Designated Member whether direct, indirect, intentional or unintentional.
- M. **Errors and Omissions**, means any error, omission, misstatement, neglect or breach of duty by the Member while lawfully acting within the Member's official capacity or scope of employment for the Designated Member, whether the Member is acting individually or collectively, for which a Claim alleging Member liability for Damages is made. As defined, Errors and Omissions excludes any Claim, Suit or liability for: Bodily Injury, Property Damage, Personal Injury; Advertising Injury; Employment Practices Liability, Civil Rights Liability; Law Enforcement Liability or Employee Benefit Program Administration Errors and Omissions liability; excludes any failure to obtain any insurance coverage of any type or amount.; excludes any matters arising before the Florida Commission on Ethics or before any local ethics commission created by charter or ordinance; and excludes any Claim otherwise expressly excluded from coverage elsewhere within the Coverage Agreement.
- N. **Incidental Contract**, means a written (a) lease of premises, (b) easement or license agreement granted to the Member, except in connection with construction or demolition operations on or within 50 feet of a railroad (c) obligation to indemnify a municipality, as required by municipal ordinance, except in connection with work for a municipality (d) an elevator maintenance agreement; (e) Interlocal Agreement or (f) contract otherwise entered by the Member for which tort liability would be imposed against the Member even in the absence of the contract, but does not include any contract that: involves the provision of professional services by an architect, engineer or surveyor; seeks to impose liability under a warranty of the fitness or quality of the Member's products or a warranty that work performed by or on behalf of the Member will be done in a workmanlike manner; seeks to hold harmless and/or indemnify any person or entity excluded from the scope of Section 768.28, Fla. Stat.; seeks to make the Member liable for any Claim, loss or Damages proximately caused by the negligent act or omission of another party, its directors, officers, employees, contractors and/or agents; seeks to waive the Member's sovereign immunity or extend the Member's tort liability beyond the limits expressly provided in Section 768.28 Fla. Stat.; seeks to impose contractual liability on the Member for underlying tort Claims beyond the limits expressly provided in Section 768.28 Fla.Stat.; or does not otherwise comply with the express provisions of Section 768.28 Fla. Stat.
- O. **Incidental Medical Malpractice Injury**, means Bodily Injury arising out of the rendering of or failure to render medical services or treatment by a Member who is not a medical or paramedical professional of any type during the period of this Coverage Agreement, including the following services:
1. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
  2. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

P. **Interlocal Agreement**, means an agreement that is authorized by and entered pursuant to Chapter 163, Fla. Stat. and that complies with the express provisions of Section 768.28 Fla. Stat.

Q. **Inverse Condemnation**, means any affirmative regulatory action by a Designated Member resulting in the deprivation of substantially all economically beneficial or productive use of private property and the resulting cause of action by the affected property owner to recover any loss in monetary value resulting from the regulatory action.

As defined, "inverse condemnation" excludes any physical taking of property or diminution of access to property, by whatever means and whatever name called.

R. **Loading or unloading**, means the handling of property:

1. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto;"
2. while it is in or on an aircraft, watercraft or "auto;" or
3. while it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

S. **Member**, as used herein means:

1. the Designated Member; and
2. while acting within the scope of his employment, any officer (except constitutional officers), volunteer, servant, or employee of the Designated Member, including elected and appointed officials, and members of Boards or Commissions created by the Designated Member. However, the coverage so provided any officer, servant, or employee does not apply to bodily injury to another officer, servant or employee of the Designated Member injured in the course of and arising out of his employment.

The coverage afforded applies separately to each Member against whom Claims are made or Suits are brought, except with respect to the limits of liability of the Trust and does not apply to any Claim, Suit or liability arising out of the conduct of any partnership or joint venture of which a Member is a partner or participant and which is not specified in this Coverage Agreement as a Designated Member.

T. **Mobile Equipment**, means a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled, (a) not subject to motor vehicle registration, or (b) maintained for use exclusively on premises owned by or rented to the Designated Member, including the ways immediately adjoining, or (c) designed for use principally off public roads, or (d) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers, graders, scrapers, rollers and other road construction or repair equipment; air compressors, pumps and generators, including spreading, welding and building cleaning equipment; and geophysical exploration and well servicing equipment.

- U. **Mold, Spores and/or Fungus**, means any mold, spores and/or fungus of any type of nature whatsoever that can cause or threaten harm to any living organism (including human health or human welfare, or the health or welfare of any animal or plant) or can cause or threaten physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property whatsoever. This includes, but is not limited to, any type(s) of mold, spores and/or fungus that are harmful or potentially harmful to health or welfare (such as *Stachybotrys* and others), or that are damaging or potentially damaging to tangible property (such as wet or dry rot, mildew and others) or that can otherwise cause or threaten to cause bodily injury, property damage, personal injury or advertising injury or any kind whatsoever.
- V. **Occurrence**, means an event or accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in a Claim for Damages covered by this Coverage Agreement and not arising from any form of intentional misconduct. It is agreed that a single Occurrence shall be deemed to arise in the event one or more alleged Claims is based on a series of similar causes or a common nucleus of operative facts:
1. that happen over a period of time; or
  2. that happen repeatedly; or
  3. that form a course of conduct; or
  4. that involve ordinances, resolutions, policies, procedures or legislative enactments that involve the same or substantially similar subject matter; or
  5. that involve the adoption or enforcement, failure to adopt or failure to enforce: ordinances, resolutions, policies, procedures or legislative enactments that involve the same or substantially similar subject matter; or
  6. that are certified by a court of competent jurisdiction to form the basis for class-action litigation.
- W. **Personal Injury**, means injury sustained by any person or organization arising out of one or more of the following offenses committed during the term of this Coverage Agreement.
1. False arrest, detention, imprisonment;
  2. Wrongful entry or eviction, or other invasion of the right of private occupancy;
  3. Publication or utterance:
    - a. of material that libels, slanders or defames or disparages a person or organization's goods, products or services; or;
    - b. of material that violates an individual's right of privacy;except that publications or utterances in the course of or related to broadcasting, publishing, or telecasting activities conducted by or on behalf of the Designated Member shall not be deemed personal injury;
- X. **Pollutants**, mean any solid, liquid, biological, gaseous or thermal irritant or contaminate, including smoke, dust, vapor, soot, fumes, acids, alkalis, chemicals and electromagnetic radiation, liquids, gases, other irritants or contaminants and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Y. **Products-Completed Operations Hazard:**

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

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

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

Z. **Property Damage**, means (a) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting there from, or (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an Occurrence during the period of this Coverage Agreement. As used herein, Property Damage excludes a Claim, Suit or liability alleging diminished or denied access, physical taking, inverse condemnation or any federal or state-law based private property right deprivation in connection with real property.

AA. **Scheduled Location**, means a location (whether physical street address or narrative description of the location) identified within the Designated Member's Declarations (including the Real and Personal Property Schedule) at which the Trust and Designated Member have agreed, subject to all terms, conditions, exclusions and other provisions forming the Coverage Agreement, loss or damage to property at such location may be covered within the relevant Property and Allied Coverages Limit shown in the Declarations.

BB. **Sexual Action** includes, but is not limited to, any verbal or non-verbal communication, behavior or conduct with sexual connotations or purposes, whether for sexual gratification, intimidation, coercion or other purpose, and regardless of whether such action is alleged to be intentional or negligent.

CC. **Sexual Abuse** shall include, but is not limited to, the negligent or intentional infliction of physical, emotional or psychological injury or harm on any person or persons in the care, custody or control of any Member and also includes one or more of the following acts:

1. any penetration, however slight, of the vagina or anal opening of one person by the penis of another person, whether or not there is the emission of semen.
2. any sexual contact between the genitals or anal opening of one person and the mouth or tongue of another person.
3. any intrusion by one person into the genitals or anal opening of another person, including the use of any object for this purpose, except that this does not include any act intended for a valid medical purpose.
4. the intentional touching of the genitals or intimate parts, including the breasts, genital area, groin, inner thighs, and buttocks, or the clothing covering them, of either the individual or the perpetrator, except that this does not include:
  - a. any act which may reasonably be construed to be a normal caregiver responsibility, any interaction with, or affection for an individual; or
  - b. any act intended for a valid medical purpose.
5. the intentional masturbation of the perpetrator's genitals.
6. the intentional exposure of the perpetrator's genitals in the presence of an individual, or any other sexual act intentionally perpetrated in the presence of an individual, if such exposure or sexual act is for the purpose of sexual arousal or gratification, aggression, degradation, or other similar purpose.
7. the sexual exploitation of an individual, which includes allowing, encouraging, or forcing an individual to:
  - a. solicitation for or engage in prostitution; or
  - b. any play, motion picture, photograph, or dance or any other visual representation exhibited before an audience.

DD. **Suit**, means a civil court action or proceeding in which a third party alleges liability and Damages to which this coverage applies. "Suit" includes:

1. an arbitration proceeding in which such Damages are claimed and to which the Member must submit or does submit without consent; or
2. any other alternative dispute resolution proceeding in which such Damages are claimed and to which the Member submits with our consent.

EE. **Your Product**

1. means:
  - a. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (1) you;

- (2) others trading under your name; or
      - (3) a person or organization whose business or assets you have acquired; and
    - b. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - 2. includes:
    - a. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product;” and
    - b. the providing of or failure to provide warnings or instructions.
  - 3. does not include vending machines or other property rented to or located for the use of others but not sold.
- FF. **Your Work:**
- 1. means:
    - a. work or operations performed by you or on your behalf; and
    - b. materials, parts or equipment furnished in connection with such work or operations.
  - 2. includes:
    - a. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your work;” and
    - b. the providing of or failure to provide warnings or instructions.
- GG. **Aircraft** means an airplane, helicopter, or other machine capable of flight, including any unmanned or remotely operated variation of such machines such as “drones” or the like.
- HH. **Damages** means monetary sums sought or ordered by a court to be paid as compensation for loss or injury in a civil law Claim or Suit and excludes any fines, penalties or refunds of any kind or nature and further excludes any non-monetary judgment or form of relief sought or awardable.
- II. **Law Enforcement Activities** means the activities of the employees and expressly authorized agents of the Designated Member’s police department who, at all times material to any Occurrence: (1) are in the course and scope of employment for the Designated Member’s police department; (2) are Certified Law Enforcement Officers in good standing pursuant to all requirements of Florida law and rules; and (3) are not acting unlawfully, not acting in bad faith, not acting with a malicious purpose, nor acting in a manner exhibiting wanton and willful disregard for human rights, safety or property.
- JJ. **Real and Personal Property Schedule** means the portion of the Designated Member’s Coverage Agreement which consists of a list of all building, business personal property or other specifically identified property of the Designated Member which is eligible for coverage within the relevant Property and Allied Coverage Limit shown in the Declarations and, subject to all terms, conditions, exclusions and other provisions forming the Coverage

Agreement, includes: an identified location of the covered property (whether physical street address or narrative description of the covered property location) and a description of the covered property by type, name and/or other detail.

- KK. **Claim** means a demand alleging Member liability and seeking redress for injury, loss, Damages or other sums and includes a Suit against a Member seeking the foregoing or any other remedies.

### **EXCLUSIONS**

This Coverage Agreement does not apply:

- A. to any Claim, Suit or liability arising from any actual or alleged breach of any express or implied contract or from the Member's assumption of liability in a contract or agreement, except an Incidental Contract as defined herein;
- B. to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
1. any automobile operated by or rented or loaned to any Member;
  2. any other automobile operated by any person in the course of his employment by any Member; but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the Member or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any Member;
  3. any vehicle while being used in any pre-arranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any contest or activity;
  4. any automobile operating through use of any autonomous technology without a licensed driver present and in position to assume control of the vehicle.
- C. to bodily injury or property damage arising out of:
1. the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any pre-arranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;
  2. the operation or use of any trailer designed for use therewith; or
  3. the ownership, maintenance, operation, or use of a water theme park.
- D. to bodily injury or property damage arising out of:
- (1) the ownership, maintenance, operation, use, loading or unloading of:
    - a. any watercraft that is over fifty-two (52) feet in length and is used in the Member's Law Enforcement Activities or any other watercraft that is over twenty-six (26) feet in length;
    - b. any barge or lighter rented by the Member to others with respect to which the Member does not furnish employees to operate and does not have any operating control;
    - c. any watercraft while being used in any pre-arranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any contest or activity;
    - d. any watercraft or structure being used as an artificial reef or similar purpose;
    - e. any watercraft with any passenger(s) in or upon, entering or alighting from the watercraft; however, this exclusion does not apply to any such Occurrence if the watercraft is twenty-six (26) feet or less in length, is not

- owned by the Member and the Member collects no charge or fee to carry persons or property;
- f. any Marina Operations owned, leased or operated by the Member.
- (2) Marina Operations. For purposes of this exclusion, Marina Operations is defined to include watercraft repairs, alteration, maintenance, storage, mooring, launching, docking, retrieval from any water body, fueling, transportation, and hauling at or near any marina facility; and
- (3) any of the forgoing types of excluded watercraft or Marina Operations liability even if the alleged Member liability or negligence is based on the hiring, supervision, employment, training or monitoring of any Member's employee or agent.
- E. to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
1. any aircraft owned or operated by or rented or loaned to any Member;
  2. any other aircraft operated by any person in the course of his employment by any Member; but this exclusion does not apply to aircraft while parked on premises owned by, rented to or controlled by the Member;
- F. to any Claim, Suit or liability arising out of, caused by or contributed to, in whole or in part, by any normal, expected, unexpected or required operational aspect of an aircraft including: its flight, landing, mechanical operation or maintenance; any aircraft fueling, de-fueling, fuel delivery or other fuel transportation; any discharge or combustion of, or exposure to, aircraft fuel, chemical(s) or other dangerous, combustible or harmful substance(s) required by or contained within an aircraft. However, this exclusion does not apply to the extent a Claim or Suit alleges Bodily Injury or Property Damage to a third party arising from an Occurrence that does not involve an aircraft's operation as described herein, but nonetheless arises at covered airport premises, facilities, buildings or other operations;
- G. any Claim, Suit or liability for injury caused by, contributed to or arising out of the actual or threatened discharge, dispersal, disposal, leaching, migration, seepage, release, or escape of pollutants and/or contaminants into or upon the land, the atmosphere or any course or body of water, whether above or below ground. However, this exclusion does not apply to bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire.
- As used in this exclusion, a hostile fire means one which burns outside the area intended or which becomes uncontrollable.
- H. any Claim, Suit or liability for Damages arising out of the ingestion, inhalation or absorption of lead in any form including any loss, cost or expense arising out of any:
1. request, demand or order that any "Member" or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of lead; or
  2. Claim or Suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.
- I. any Damages from the process of continued surface and/or subsurface degradation and deterioration of lead-based paint that has been applied to any surface of any building whether considered commercial or residential.
- J. to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion and revolution, or to any act or condition incident to any of the foregoing;

- K. to any obligation for which any Member or any carrier as it's insurer may be held liable under any social security, workers' compensation, employer's liability, unemployment compensation or disability benefits law, or under any similar law including any claims for the correction of physical public facilities based on accessibility under the Americans with Disabilities Act;
- L. to bodily injury to any employee of the Designated Member arising out of and in the course of his or her employment by the Designated Member or to any obligation of a Member to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the Designated Member under an Incidental Contract. This exclusion shall include any liability incurred by a Member as a result of alleged wrongful Employment Practices Liability;
- M. to property damage to property owned or occupied by, leased, or rented to, a Member;
- N. to property damage to premises alienated by the Member arising out of such premises or any part thereof;
- O. to loss of use of tangible property which has not been physically injured or destroyed resulting from a delay in lack of performance by or on behalf of the Member of any contract or agreement;
- P. to property damage to the Member's products arising out of such products or any part of such products; to property damage to work performed by or on behalf of the Member arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith; and to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Member's products or work completed by or for 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;
- Q. to any liability from the Member's completed operations arising out of:
  1. loss of sales, customers or profits suffered by a person or entity affected by the actions of the Member or its agents including any damages sustained by such person or entities by virtue of a business interruption; or
  2. loss resulting from theft of any property which at the time of loss is not an integral part of a building or structure including direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion;
- R. to any liability arising in whole, or in part out of:
  1. any act or omission of a Member committed while acting outside the course and scope of his employment, or committed in bad faith with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety or property;
  2. any Member obtaining remuneration or financial gain to which the Member was not legally entitled;
  3. the willful violation of any federal, state or local law, ordinance or regulation committed by or with the knowledge or consent of any Member; or
  4. violation of public trust;
- S. to any Claim, Suit or liability arising out of or in any way connected with a physical taking of property or any diminution of access to property, by whatever means or whatever name called, the operation of the principals of eminent domain, condemnation, proceedings, inverse condemnation or takings law, whether permanent or temporary, including but not limited to, Claims arising out of federal, state or local land use, environmental, air, ground or water pollution, or health, safety and welfare laws, ordinances or regulations, Claim

arising from Chapter 70, Florida Statutes, known as the Bert J. Harris, Jr. Private Property Rights Protection Act, as may be amended from time to time, or Claim arising from activities by or on behalf of a Member which result in permanent or temporary loss of use or value of private property, whether such liability accrues directly against the Member, or by virtue of any agreement entered into by or on behalf of the Member;

- T. to any liability for injury, sickness, disease, death or destruction due to the rendering of or failure to render any professional service by any doctor, surgeon, dentist, nurse, physician's assistant, paramedic, emergency medical technician or other medical professional of a Designated Member;
- U. to any liability arising out of or in connection with or caused or contributed to by any failure or inability to supply, in whole or in part, any adequate quantity or quality of power, steam, pressure, water or fuel. Fuel includes, but is not limited to natural gas, heating oil and propane;
- V. to any liability arising out of or caused or contributed to by or connected with any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (Public Law 93-406) or any amendment thereto or any similar provision of any local, state or federal law, statutory or common;
- W. to any liability as a result of flood or any liability as a result of water overflow damage, including flooding, caused or contributed to by any failure, breakage, inadequacy, maintenance of and/or design of any natural or man-made structure, including but not limited to: any dam, dyke, levee, reservoir, water barrier, ditches, canals, gate, aqueduct, water shed, channel or culvert;
- X. to any liability for fines, punitive or exemplary damages; or any non-compensatory damages or penalties imposed pursuant to any federal or state anti-trust, civil rights, anti-discrimination, or racketeer influence and corrupt organization (RICO) laws;
- Y. to any Damages imposed by special act of the Legislature;
- Z. to any "bodily injury" or "property damage":

with respect to which a "Member" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

1. resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "Member" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - a. under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - b. under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material" if:

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

2. as used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

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

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

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

“Property damage” includes all forms of radioactive contamination of property.

- AA. to personal injury arising out of any publication or utterance described in sub-paragraph W. 3. of the definition of Personal Injury contained in the Definitions section of this Coverage Agreement (a) if the first injurious publication or utterance of the same or similar material by or on behalf of the Designated Member was made prior to the effective date of this coverage; or (b) concerning any organization or business enterprise, or its products or services, made by or at the direction of any Member with knowledge of the falsity thereof;
- BB. to any liability arising out of Errors and Omissions as defined herein;
- CC. to bodily injury or property damage for which the Designated Member or his indemnitee may be held liable:
  - 1. as an entity or organization engaged in manufacturing, distributing, selling, furnishing or serving alcoholic beverages; or
  - 2. if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed
    - a. by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverages; or
    - b. by reason of the selling, serving, furnishing or giving of any alcoholic beverage to a person who is not of legal drinking age, habitually addicted to the use of any or all alcoholic beverages, to a person under the influence of alcohol or which causes or contributes to the intoxication of any person.
  - 3. causing or contributing to the intoxication of any person.

This exclusion does not apply and coverage is afforded under the Coverage Agreement for bodily injury or property damage Claims or liability resulting from the providing or serving of alcoholic beverages without charge to the public at functions incidental to a Designated Member's business or activity otherwise covered under the Coverage Agreement or any endorsement thereto;

- DD. any Claim or Suit seeking relief or redress in any form other than money Damages and any costs, fees, expenses or attorneys' fees relating to such Claims or Suits, including those with allegations:
  - 1. seeking injunctions, declaratory judgments or extraordinary writs such as certiorari, mandamus, quo warranto or other relief as the only claim or remedy pursued in a Suit and no other covered Claims for Damages;
  - 2. seeking to enforce or invalidate Incidental Contracts, Interlocal Agreements or any other agreement(s) between the Member and others;
  - 3. seeking to enforce, invalidate or appeal any permit decision rendered on the basis of zoning, land development and/or building code regulations as the only claim or remedy pursued in a Suit and no other covered Claims for Damages;
  - 4. based on violations of federal, state or local procurement or bidding law requirements or based on election results, disputes or challenges;

EE. to any liability arising out of any actual or alleged sexual action, sexual abuse or communicable disease.

However, this exclusion does not apply and coverage is afforded under this Coverage Agreement to bodily injury or personal injury liability which may accrue against the Designated Member as defined within the Definition section;

FF. to any liability for injury, loss or Damages sustained by any person or entities arising from or in anyway involving asbestos or other products containing asbestos or to asbestosis or any other disease including mesothelioma and cancer related to asbestos exposure nor any liability for costs or expenses incurred in removing, cleaning up or nullifying such asbestos product;

It is understood and agreed that the intent and effect of this exclusion is to delete from all coverages afforded by this Coverage Agreement any loss, cost, or expense arising out of any governmental direction, order or request that the Member test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize asbestos or asbestos products.

GG. to any liability arising out of errors and omissions as defined herein or other negligent or wrongful act committed in the administration of any Employee Benefit Program as defined herein, for present or former employees of the Designated Member;

HH. to any liability arising out of or caused by or contributed to or connected with alleged violation of the following:

1. Federal Fair Labor Standards Act.
2. Chapter 447, Florida Statutes.
3. Drivers Privacy Protection Act of 1994.
4. National Labor Relations Act.
5. Worker Adjustment and Retraining Notification Act.
6. Consolidated Omnibus Budget Reconciliation Act of 1985.
7. Occupational Safety and Health Act.
8. Federal Employers Liability Act.
9. Longshoreman's and Harbor Workers' Act.
10. Employee Polygraph Protection Act.
11. Defense Base Act.
12. Outer Continental Shelf Lands Act

II. any Claim requesting return or reimbursement of a special assessment, tax, service charge, fine or fee or any other payment or overpayment to the Designated Member or Member;

JJ. to any claim for attorneys' fees or costs for any Claim or Suit not covered by this Coverage Agreement;

KK. to any Damages which accrued or occurred prior to the effective date of this Coverage Agreement notwithstanding the date of the Occurrence;

LL. advertising injury arising out of:

1. Failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas upon alleged breach of implied contract, or
2. Infringement of trademark, service mark, or trade name, other than titles or slogans, by use thereof or in connection with goods, products or services sold, offered for sale, or advertised, or

3. Incorrect description or mistake in advertising price of goods, products or services sold, offered for sale or advertised.

Also, with respect to advertising injury:

1. to any Member in the business of advertising, broadcasting, or telecasting, or
2. to any injury arising out of any act committed by the Member with actual malice.

MM. to any Bodily Injury Liability, Property Damage Liability, Personal Injury Liability, Advertising Injury Liability, Products Liability and Completed Operations Hazard arising directly or indirectly out of:

1. any actual or alleged failure, malfunction or inadequacy due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond by:
  - a. any of the following, whether belonging to any insured or to others: (a) Computer application software; (b) Computer networks; (c) Microprocessors (computer chips) not part of any computer system; (d) Computer operating systems and related software; (e) Computer hardware, including microprocessors; or (f) Any other computerized or electronic equipment or components; or
  - b. any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in the preceding paragraph.
2. any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in paragraph a. above.

NN. to any Bodily Injury Liability, Property Damage Liability, Personal Injury Liability, Advertising Injury Liability, for which any Designated Member or Member under this Coverage Agreement may be held liable arising out of the actual or threatened occurrence, growth, release, transmission, migration, dispersal or exposure to any micro-organisms, biological organisms, bioaerosols or organic containments, including but not limited to mold, spores and/or fungus;

1. resulting from any actual or threatened exposure to, inhalation, absorption or ingestion of, or physical contact with mold, spores and/or fungus;
2. resulting from any actual or threatened mold, spores, and/or fungus upon any real property or personal property, product or work, premises, site or location, or any other tangible property, or any Designated Member or Member or any other person(s) or organization(s), located anywhere in the world;
3. resulting from any loss, cost or expense for any testing, monitoring, clean-up, treatment or removal, or neutralization of mold, spores and/or fungus;

OO. A. to "any injury or Damages" arising, directly or indirectly, out of a "certified act of terrorism" or an "other act of terrorism". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. the total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

2. fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. physical injury that involves a substantial risk of death; or
  - b. protracted and obvious physical disfigurement; or
  - c. protracted loss of or impairment of the function of a bodily member or organ; or
3. the terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

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

B. the following definitions are added:

1. for the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA 2015). TRIPRA 2015 sets forth the following criteria for a "certified act of terrorism":
  - a. The act resulted in aggregate losses in excess of \$5 million; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infra-structure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to TRIPRA 2015. Multiple incidents of an "other act of terrorism" which occur within a seventy-two (72) hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

- C. In the event of any incident of a “certified act of terrorism” or an “other act of terrorism” that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.
- PP. to any liability arising from or otherwise related to the Designated Member’s Law Enforcement Activities.
- QQ. to any alleged violation of public records laws or public meetings laws contained in Chapter 119, Florida Statutes or Chapter 286, Florida Statutes, respectively, as both may be amended from time to time.
- RR. to any Claim, Suit or liability arising from the operation or failure of operation of any computer, computer system or other electronic data processing system or network of the Designated Member, or arising from the handling, mishandling or misuse of data stored or contained in any such device, system or network, or arising from any of the following: any data or computer systems that have been compromised, corrupted, seized or adversely affected without proper Member authorization (i.e., subject to “cyber-attack” or “hacking”) by a third party, Member, a program, a computer virus or a software application; any threatened cyber-attack; any harm attributed to internet-based services, activities or facilities provided by the Designated Member; any data or data privacy breach in violation of any law, rule or internal policy; any unauthorized or unlawful access of Designated Member’s computers or computer-networks by a third party or by personnel; any unauthorized or unlawful release, disclosure or exposure of personal, private or confidential data by a third party or Member; or any misappropriation or misuse of a Designated Member’s computer system or data by a third party or by the Member.

#### **HERBICIDE/PESTICIDE COVERAGE**

The Trust will pay for bodily injury or property damage caused directly by contact with herbicides or pesticides sprayed by the Member into the air.

This coverage extension does not apply to bodily injury or property damage as described in Exclusion G of the Coverage Agreement.

The limit of liability under this coverage extension is the amount of liability described in the General/Professional liability section of the Declaration Page or \$1,000,000 aggregate per fund year, whichever is the lesser amount, subject to any deductible/self insured retention described on the Declarations Page.

#### **OTHER INSURANCE**

The coverage afforded by this Coverage Agreement is primary, except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this coverage is primary and the Member has other insurance which is stated to be applicable to a covered Claim or Suit on an excess or contingent basis, the amount of the Trust's liability under this Coverage Agreement shall not be reduced by the existence of such other insurance.

If any other insurance is valid and collectible against a covered Claim or Suit and provides for contribution by equal shares, the Trust shall not be liable for a greater proportion of such covered loss than would be payable if each party contributes an equal share until the share of each party equals the lowest applicable limit of liability under any one policy or coverage agreement or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining parties then continue to contribute equal shares of the remaining amount of the loss until each such party has paid its limit in full or the full amount of the loss is paid.

If any such other insurance does not provide for contribution by equal shares, the Trust shall not be liable for a greater proportion of such covered loss than the applicable limit of liability under this Coverage Agreement for such loss bears to the total applicable limit of any other insurance which is valid and collectible against such loss.

**FLORIDA MUNICIPAL INSURANCE TRUST  
PROPERTY, ALLIED LINES AND CRIME  
DECLARATIONS**

**Agreement No.:** FMIT #1028

**I. DESIGNATED MEMBER**

Village of Palmetto Bay

**II. GOVERNMENT DESCRIPTION**

Municipality

**III. COVERAGE PERIOD**

From October 1, 2019 to October 1, 2020 12:01 A.M. Standard Time at the address of the Designated Member.

	<b>Premium Basis</b>	<b>Deductible/Type</b>	<b>Limit</b>	<b>Net Premium</b>
<b>IV. Property and Allied Coverages</b>				\$178,492
Real Property*		\$1,000	\$19,352,802	Included
Personal Property		\$1,000	\$1,107,180	Included
Coinsurance:	Agreed Amount			
Valuation Basis:	Replacement			
Blanket**:	Cost			
Inflation Guard:	Yes			
Non-scheduled PITO Sub-Limit*	No		\$210,000	Included
Time Element				
Business Income	Per Extension	\$0		Included
Extra Expense	Per Extension	\$0		Included
Inland Marine	Valuation Basis:	Actual Cash	Per Schedule	\$29,675
Valuable Papers	Value			
Accounts Receivable	Blanket:	Yes		Included
Crime	Per Extension	\$0		Included
Forgery or Alteration	Per Extension	\$0		Included
Computer and Funds Transfer Fraud				
Bond				
Faithful Performance Blanket Bond		\$0	\$500,000	Included
Employee Theft - Per Loss Coverage		None	\$500,000	Included

**V.** This agreement includes these endorsements and schedules: See Schedule C

**VI. ESTIMATED ANNUAL PREMIUM**

Florida Municipal Insurance Trust (FMIT)

**Normal**

**Premium**

\$178,492

**Florida League of Cities Sponsored Insurance Programs Since 1977**

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

\*Real Property limit is inclusive of Non-scheduled PITO Sub-Limit.

\*\*If a blanket limit is selected, the blanket limit applies only to Covered Property at locations contained in the Member's Property Schedule, subject to all coverage exclusions, deductible requirement(s) and other provisions of the Coverage Agreement.

**FMIT PROPERTY AND ALLIED COVERAGES**  
**October 1, 2019 - October 1, 2020 Scheduled Coverage Forms List**  
**FMIT #1028**

**Schedule C**

<b>Form #</b>	<b>Descri</b>
<b>Property Common</b>	
FMIT COND 1019	Conditions of Coverage
FMIT CA 1019	Coverage Agreement
IL 00 17 1198	Common Policy Conditions
FMIT MPC 1019	Miscellaneous Property Coverages
IL 02 55 0106	Florida Changes - Cancellation and Non-renewal
<b>Property</b>	
FMIT PROP EP 1015	Earned Premium
FMIT PROP EIV 1010	Environmental Improvement Endorsement
PR-SCHED	Property Schedule
CP 00 90 0788	Commercial Property Conditions
CP 00 10 0402	Building and Personal Property Coverage Form
FMIT PROP 03 1019	Coverage Extensions
CP 01 25 1007	Florida Changes
CP 10 10 0402	Causes of Loss - Basic Form
CP 10 30 0402	Causes of Loss - Special Form
CP 10 50 0788	Additional Exclusions - Wind Exclusion
FMIT PROP 12 1016	Ordinance or Law Change
CP 10 35 0695	Watercraft Exclusion
FMIT FLOOD 1018	Flood Coverage Excess of Loss
FMIT PROP NS DED-A 1018	Named Storm Percentage Deductible Endorsement
FMIT PROP TER 1018	Terrorism Physical Loss or Physical Damage
CP 14 40 1000	Outside Signs
CP 14 50 1000	Radio or Television Antennas
FMIT EBC 1015	Equipment Breakdown Coverage Schedule
FMIT EBC/EBX 1015	Equipment Breakdown Coverage
FMIT FCR 1009	Fungus Remediation
IL 04 01 1007	Florida-Sinkhole Loss Coverage
CP 00 60 0695	Leasehold Interest Coverage Form
FMIT ACTIVE ASSAILANT 1019	Event Response for Covered Events at Covered Property
FMIT RECOVERY 1019	FMIT Property Turnkey Recovery Service
CP 00 50 0402	Extra Expense Coverage Form
CP 00 32 0402	Business Income Coverage
<b>Inland Marine</b>	
FMIT IM SCH	Miscellaneous Schedule of Inland Marine
FMIT PROP 02 1016	Inland Marine Floater
CM 00 01 0904	Commercial Inland Marine Conditions
CM 00 66 0904	Accounts Receivable Coverage Form
CM 00 67 0904	Valuable Papers and Records Coverage Form
<b>Crime</b>	
CR 00 25 0506	Government Crime Coverage Form
FMIT GC FD 1012	Government Crime Coverage Form Amendment
CR 25 09 1010	Include Volunteer Workers as Employees
CR 25 19 0506	Add Faithful Performance of Duty Coverage

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy 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.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in 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.

### C. Examination Of Your Books And Records

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

### D. 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 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. 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.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

## Miscellaneous Property Coverages

FMIT #1028

October 1, 2019 - October 1, 2020

### Business Income

All locations are covered under Coverage Extension 5h.

### Extra Expense

All locations are covered under Coverage Extension 5e.

Limits on Loss Payment: 40%-80%-100%

### Valuable Papers & Records

All locations are covered under Coverage Extension 5b.

### Accounts Receivable

All locations are covered under Coverage Extension 5d.

### Crime / Bond

Bond Type	Bond Limit	Deductible Amount
Finance Director	\$250,000	\$0
Faithful Performance Blanket Bond	\$500,000	\$0
Employee Theft - Per Loss	\$500,000	None

### Forgery or Alteration

Limit	Deductible Amount
\$250,000	None

### Computer and Funds Transfer Fraud

Limit	Deductible Amount
\$250,000	None

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

## **FLORIDA CHANGES - CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
FARM COVERAGE PART

- A. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:**
- 2. Cancellation For Policies In Effect 90 Days Or Less**
- a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
    - (a) A material misstatement or misrepresentation; or
    - (b) A failure to comply with underwriting requirements established by the insurer.
- b. We may not cancel:
- (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
  - (2) On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
    - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
    - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
  - (3) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- B. The following is added to the Cancellation Common Policy Condition:**
- 7. Cancellation For Policies In Effect For More Than 90 Days**
- a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:
- (1) Nonpayment of premium;
  - (2) The policy was obtained by a material misstatement;

- (3) There has been a failure to comply with underwriting requirements established by the insurer within 90 days of the effective date of coverage;
  - (4) There has been a substantial change in the risk covered by the policy;
  - (5) The cancellation is for all insureds under such policies for a given class of insureds;
  - (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
  - (7) On the basis of filing of claims for partial loss caused by sinkhole damage, or on the basis of the risk associated with the occurrence of such a claim, if:
    - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
    - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or
  - (8) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
- (1) 10 days before the effective date of cancellation if cancellation is for non-payment of premium; or
  - (2) 45 days before the effective date of cancellation if:
    - (a) Cancellation is for one or more of the reasons stated in 7.a.(2) through 7.a.(8) above; and
    - (b) This policy does not cover a residential structure or its contents;
- (3) 90 days before the effective date of cancellation if:
    - (a) Cancellation is for one or more of the reasons stated in 7.a.(2) through 7.a.(8) above; and
    - (b) This policy covers a residential structure or its contents.
- C. The following is added:
- NONRENEWAL**
- 1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
    - a. 90 days prior to the expiration of the policy if this policy covers a residential structure or its contents; or
    - b. 45 days prior to the expiration of the policy for all other policies.
  - 2. Any notice of nonrenewal will be mailed or delivered 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.
  - 3. We may not refuse to renew this policy:
    - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
    - b. On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may refuse to renew this policy if:
      - (1) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
      - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
    - c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

**D. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss - Residential Property:**

1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:

a. Except as provided in **D.1.b.**, we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 90 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.

b. We may cancel or nonrenew the policy prior to restoration of the structure, for any of the following reasons:

- (1) Nonpayment of premium;
- (2) Material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
- (4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel for a reason listed in **b.(2)**, **b.(3)** or **b.(4)**, we will give you 45 days' notice.

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.

3. With respect to **D.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

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

**EARNED PREMIUM ENDORSEMENT**

This endorsement amends and supersedes the cancellation provisions as described in FMIT COND 1015 and IL 02 55 11 06 where applicable. This endorsement does not apply to cancellation for non-payment of premium.

1. For locations NOT "Exposed to Hurricanes," if you cancel this policy, remove a location or reduce the amount of insurance on a location, the short rate return premium is 90% of applicable pro-rate premium.
2. For locations "Exposed to Hurricanes," if you cancel this policy, remove a location or reduce the amount of insurance on a location and coverage existed any time during the period of June 1<sup>st</sup> to November 30<sup>th</sup>, the amount of premium we will return will be the Unearned premium for the location. The Unearned Premium is the location premium times the Unearned Factor noted below:

Days Policy in Force	Unearned Factor
1 – 180	20%
181 – 210	15%
211 – 240	10%
241 – 270	7.5%
271 – 300	5%
301 – 330	2.5%
331 or more	0%

3. If a location "Exposed to Hurricanes" is added during the term of the policy and coverage exists at any time during the period of June 1<sup>st</sup> to November 30<sup>th</sup>, the rate will be calculated as 100% of the annual rate, less the Unearned Factor noted in No. 2 above. Otherwise it shall be pro-rata.
4. Coverage cannot be increased nor additional locations added if they are "Exposed to Hurricanes" and a "Named Storm" is in force, unless specifically accepted by the underwriter.
5. If property is added or deleted, each type of property at each location shall be treated separately and the underwriter shall determine the applicable annual rate based upon the characteristics of the risk. Risks of like kind and quality will be added or deleted as per the account rate submitted to the Unearned Factor, if applicable, noted in No. 1 above.
6. If a location is "Exposed to Hurricanes," the provisions of this endorsement replace any short rate provisions stipulated in this policy. If a location is not "Exposed to Hurricanes" during the period of June 1<sup>st</sup> to November 30<sup>th</sup>, the short rate return premium is 90% of applicable pro-rata premium subject to a Minimum Earned Premium of 25%.
7. "Exposed to Hurricanes" is defined as located in the State of Florida.

8. Nothing herein will act to provide coverage unless an automatic acquisition clause is included elsewhere in the policy and then only as per the terms of said clause.
9. Non-payment of premium, material misstatement or non-compliance with underwriting requirements shall be considered a request by the insured to cancel the policy.
10. Proof of mailing will be sufficient proof of notice.

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

**ENVIRONMENTAL, SAFETY AND EFFICIENCY IMPROVEMENTS ENDORSEMENT**

Should damage to scheduled real property require replacement, as determined by local building codes, we will pay the additional cost to replace the real property with real property that we agree is better for the environment, safer for people or more energy efficient than the real property being replaced, subject to the following conditions:

1. We will not pay more than 125% of what the cost would have been to replace with like kind and quality;
2. We will not pay to increase the size or capacity of the real property;
3. This provision only applies to Covered Perils;
4. This provision does not increase any of the applicable limits;
5. This provision does not apply to any property valued on an actual cash value; and
6. This provision does not apply to the partial replacement of real property.

**All other terms, conditions and warranties remain unchanged.**

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
002	001	7895 SW 152 Court Palmetto Bay, FL Special Form	\$252,653	Coral Reef Park - Recreation Building Special Form	Joisted Masonry \$50,000
002	002	7895 SW 152 Court Palmetto Bay, FL Special Form	\$982,750	Concession Stand / Storage Room / Bathroom Special Form	Joisted Masonry \$15,283
002	003	7895 SW 152 Court Palmetto Bay, FL Special Form	\$69,299	Maintenance Buidling Special Form	Joisted Masonry \$50,000
002	004	7895 SW 152 Court Palmetto Bay, FL Special Form	\$50,349	Restroom Building	Joisted Masonry \$0
002	006	7895 SW 152 Street Palmetto Bay, FL Special Form	\$54,210	Coral Reef Park - 2 Gazebos (1 @ \$34,458 / 1 @ \$19,752)	Non-Combustible \$0
002	012	7895 SW 152 Court Palmetto Bay, FL Basic	\$128,000	Pedestrian Bridge	Non-Combustible \$0
002	018	7895 SW 152 Court Palmetto Bay, FL Special Form	\$70,000	Bleachers (10)	Non-Combustible \$0
002	021	7895 SW 152 Court Palmetto Bay, FL Special Form	\$114,163	Gazebo (Bandshell)	Non-Combustible \$0
002	022	7895 SW 152 Court Palmetto Bay, FL Special Form	\$43,705	Meditation Gazebo	Non-Combustible \$0
002	031	7895 SW 152 Court Palmetto Bay, FL Special Form	\$2,925	Wi-Fi Antennas	Non-Combustible \$0
002	035	7895 SW 152 Court Palmetto Bay, FL Special Form	\$3,000	Signage (large wooden sandblasted)	Frame \$0
002	036	7895 SW 152 Court Palmetto Bay, FL Special Form	\$2,000	Signage (metal)	Non-Combustible \$0
002	037	7895 SW 152 Court Palmetto Bay, FL Special Form	\$59,679	Light Poles - Parking Lot @ \$38,475 / Tennis Courts \$21,204	Masonry Non-Combustible \$0
002	038	7895 SW 152 Court Palmetto Bay, FL Special Form	\$22,580	High School Baseball Field Fencing	Masonry Non-Combustible \$0
002	039	7895 SW 152 Court Palmetto Bay, FL Special Form	\$5,600	Baseball Fields Galv Chain Link Fencing	Masonry Non-Combustible \$0
002	040	7895 SW 152 Court Palmetto Bay, FL Special Form	\$20,860	Baseball Field 6-ga + vinyl coat Fencing	Masonry Non-Combustible \$0
002	041	7895 SW 152 Court Palmetto Bay, FL Special Form	\$45,795	Tennis Courts 6-ga + vinyl coat Fencing	Masonry Non-Combustible \$0
002	042	7895 SW 152 Court Palmetto Bay, FL Special Form	\$8,300	Football Goalpost (4)	Masonry Non-Combustible \$0
002	043	7895 SW 152 Court Palmetto Bay, FL Special Form	\$37,800	Picnic Tables (63 @ \$600)	Masonry Non-Combustible \$0

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
002	044	7895 SW 152 Court Palmetto Bay, FL	Park Benches (22 @ \$588)(10 @ \$905)	Masonry Non-Combustible	
		Special Form	\$30,066		\$0
002	045	7895 SW 152 Court Palmetto Bay, FL	Duck Benches (8 @ \$1,400)	Masonry Non-Combustible	
		Special Form	\$11,200		\$0
002	046	7895 SW 152 Court Palmetto Bay, FL	Batting Cages (4)	Masonry Non-Combustible	
		Special Form	\$140,000		\$0
002	047	7895 SW 152 Court Palmetto Bay, FL	Racquetball courts (2)	Masonry Non-Combustible	
		Special Form	\$64,684		\$0
002	048	7895 SW 152 Court Palmetto Bay, FL	Playground Equipment	Masonry Non-Combustible	
		Special Form	\$64,638		\$0
002	049	7895 SW 152 Court Palmetto Bay, FL	BBQ Grills (5)	Masonry Non-Combustible	
		Special Form	\$900		\$0
002	050	7895 SW 152 Court Palmetto Bay, FL	Trash Receptacles (25 wire receptacles)	Masonry Non-Combustible	
		Special Form	\$6,250		\$0
002	051	7895 SW 152 Court Palmetto Bay, FL	Trash Receptacles (10 recycle receptacles)	Masonry Non-Combustible	
		Special Form	\$4,500		\$0
002	052	7895 SW 152 Court Palmetto Bay, FL	Flag Pole (1)	Masonry Non-Combustible	
		Special Form	\$7,000		\$0
002	053	7895 SW 152 Court Palmetto Bay, FL	Patio Tables (12)	Masonry Non-Combustible	
		Special Form	\$12,000		\$0
002	054	7895 SW 152 Court Palmetto Bay, FL	Parking Lot Lighting (15 poles/fixtures)	Masonry Non-Combustible	
		Special Form	\$75,000		\$0
002	055	7895 SW 152 Court Palmetto Bay, FL	Water Fountains (5)	Masonry Non-Combustible	
		Special Form	\$15,000		\$0
002	056	7895 SW 152 Court Palmetto Bay, FL	Bicycle rack (1)	Masonry Non-Combustible	
		Special Form	\$800		\$0
002	057	7895 SW 152 Court Palmetto Bay, FL	Wooden Split Rail Fencing	Non-Combustible	
		Special Form	\$50,528		\$0
002	058	7895 SW 152 Court Palmetto Bay, FL	Sunshades (Playground-3)	Non-Combustible	
		Special Form	\$37,007		\$0
002	059	7895 SW 152 Court Palmetto Bay, FL	Sunshade Canopy - ParkView Cafe'	Non-Combustible	
		Special Form	\$65,000		\$0
002	060	7895 SW 152 Court Palmetto Bay, FL	Trash Receptacles	Non-Combustible	
		Special Form	\$36,000		\$0
002	061	7895 SW 152 Court Palmetto Bay, FL	Dugouts (6)	Non-Combustible	
		Special Form	\$40,800		\$0

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
002	062	7895 SW 152 Court Palmetto Bay, FL Special Form	Bronze Plaques (3) \$9,000	Non-Combustible \$0	
002	063	7895 SW 152 Court Palmetto Bay, FL Special Form	Bulletin Boards (3) \$2,700	Frame \$0	
002	064	7895 SW 152 Court Palmetto Bay, FL Special Form	Vita Course (16 Stations) \$78,006	Frame \$0	
002	065	7895 SW 152 Court Palmetto Bay, FL Special Form	Bulletin Boards by Concessions (2) \$1,973	Frame \$0	
003	001	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Palmetto Bay Park - Recreation Building \$136,757	Joisted Masonry \$50,000	
003	004	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Palmetto Bay Park - Concession/Restroom \$756,200	Joisted Masonry \$50,000	
003	012	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Scoreboards (6) \$25,000	Non-Combustible \$0	
003	013	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Shade Structures \$244,693	Non-Combustible \$0	
003	014	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Pavilions (2) \$64,000	Non-Combustible \$0	
003	027	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Thorguard sensors/antennas \$5,000	Non-Combustible \$0	
003	030	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Signage \$12,500	Non-Combustible \$0	
003	032	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Bleachers (12) \$56,500	Non-Combustible \$0	
003	035	17535 SW 95 Avenue Palmetto Bay, FL Special Form	WiFi antena \$2,925	Non-Combustible \$0	
003	036	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Lights - 4@Skate Park (\$10,260) / 4@BB Court (\$11,628) \$21,888	Masonry Non-Combustible \$0	
003	037	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Softball Fields Fencing \$242,075	Masonry Non-Combustible \$0	
003	038	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Playground Alum. Picket Fencing \$20,212	Masonry Non-Combustible \$0	
003	039	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Skatepark Steel Picket Fencing \$20,000	Masonry Non-Combustible \$0	
003	040	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Parking Lots Security Lighting (31 poles) \$159,900	Masonry Non-Combustible \$0	
003	041	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Paths/Playground Security Lighting (24) \$219,856	Masonry Non-Combustible \$0	
003	042	17535 SW 95 Avenue Palmetto Bay, FL Special Form	Boundless Playground \$139,331	Masonry Non-Combustible \$0	

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
003	043	17535 SW 95 Avenue Palmetto Bay, FL	Batting Cages (2)	Masonry	Non-Combustible
		Special Form	\$64,000	\$0	
003	044	17535 SW 95 Avenue Palmetto Bay, FL	Flag Poles (3)	Masonry	Non-Combustible
		Special Form	\$21,000	\$0	
003	045	17535 SW 95 Avenue Palmetto Bay, FL	Ballfield Lighting (17 towers, 4 fields)	Masonry	Non-Combustible
		Special Form	\$728,565	\$0	
003	046	17535 SW 95 Avenue Palmetto Bay, FL	Park Benches (14)	Masonry	Non-Combustible
		Special Form	\$8,232	\$0	
003	047	17535 SW 95 Avenue Palmetto Bay, FL	Park Benches (10 Cunningham benches)	Masonry	Non-Combustible
		Special Form	\$7,690	\$0	
003	048	17535 SW 95 Avenue Palmetto Bay, FL	Park Benches (10 Cunningham benches with no backs)	Masonry	Non-Combustible
		Special Form	\$5,790	\$0	
003	049	17535 SW 95 Avenue Palmetto Bay, FL	Receptacles (35)	Masonry	Non-Combustible
		Special Form	\$15,750	\$0	
003	050	17535 SW 95 Avenue Palmetto Bay, FL	Receptacles (21 wire)	Masonry	Non-Combustible
		Special Form	\$5,250	\$0	
003	051	17535 SW 95 Avenue Palmetto Bay, FL	Receptacles (10 recycle)	Masonry	Non-Combustible
		Special Form	\$4,500	\$0	
003	052	17535 SW 95 Avenue Palmetto Bay, FL	Receptacles (5 in Playground area)	Masonry	Non-Combustible
		Special Form	\$4,645	\$0	
003	053	17535 SW 95 Avenue Palmetto Bay, FL	Drinking Fountains (3)	Masonry	Non-Combustible
		Special Form	\$9,000	\$0	
003	054	17535 SW 95 Avenue Palmetto Bay, FL	BBQ Grills (3)	Masonry	Non-Combustible
		Special Form	\$540	\$0	
003	055	17535 SW 95 Avenue Palmetto Bay, FL	Bicycle Rack (1)	Masonry	Non-Combustible
		Special Form	\$800	\$0	
003	056	17535 SW 95 Avenue Palmetto Bay, FL	Basketball Court Backboard Poles	Non-Combustible	
		Special Form	\$10,260	\$0	
003	057	17535 SW 95 Avenue Palmetto Bay, FL	Wooden Split Rail Wooden Fence	Non-Combustible	
		Special Form	\$52,416	\$0	
003	058	17535 SW 95 Avenue Palmetto Bay, FL	Bulletin Boards (1)	Non-Combustible	
		Special Form	\$250	\$0	
003	059	17535 SW 95 Avenue Palmetto Bay, FL	Bulletin Boards (1)	Non-Combustible	
		Special Form	\$967	\$0	
003	060	17535 SW 95 Avenue Palmetto Bay, FL	Dugouts (12)	Non-Combustible	
		Special Form	\$81,600	\$0	

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
003	061	17535 SW 95 Avenue Palmetto Bay, FL Special Form	\$12,000	Picnic Tables (20)	Non-Combustible \$0
003	062	17535 SW 95 Avenue Palmetto Bay, FL Special Form	\$3,000	Brozne Plaques (2)	Non-Combustible \$0
004	001	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$548,226	1927 Historic House/Museum (Main House)	Joisted Masonry \$5,000
004	002	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$525,000	Garage/Maid's Quarters	Joisted Masonry \$50,000
004	003	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$100,000	Covered Terrace	Non-Combustible \$0
004	006	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$50,000	Reflection Pool	Non-Combustible \$0
004	010	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$100,000	Signage/Water Features	Non-Combustible \$0
004	011	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$100,000	Parking Lot Security Lighting	Masonry Non-Combustible \$0
004	012	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$56,000	Pathway Security Lighting (70)	Masonry Non-Combustible \$0
004	013	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$9,000	Park Benches (10)	Masonry Non-Combustible \$0
004	014	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$10,800	Receptacles (12)	Masonry Non-Combustible \$0
004	015	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$6,000	Water Fountains (2)	Masonry Non-Combustible \$0
004	016	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$10,000	Security Cameras	Masonry Non-Combustible \$0
004	017	17301 Old Cutler Road Palmetto Bay, FL Special Form	\$3,000	Bronze Plaques	Non-Combustible \$0
005	001	9495 SW 180 Street Palmetto Bay, FL Special Form	\$223,875	House	Joisted Masonry \$75,000
005	002	9495 SW 180 Street Palmetto Bay, FL Special Form	\$142,925	Public Works Facility	Joisted Masonry \$60,000
005	003	9495 SW 180 Street Palmetto Bay, FL Special Form	\$2,500	Shed (Frame)	Frame \$25,000
005	004	9495 SW 180 Street Palmetto Bay, FL Special Form	\$2,500	Shed (Metal)	Non-Combustible \$25,000
005	007	9495 SW 180 Street Palmetto Bay, FL Special Form	\$10,030	Monument Sign	Non-Combustible \$0
005	008	9495 SW 180 Street Palmetto Bay, FL Special Form	\$19,465	Fencing	Masonry Non-Combustible \$0

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
005	009	9495 SW 180 Street Palmetto Bay, FL	Flag Pole		Masonry Non-Combustible
		Special Form	\$2,650		\$0
006	001	17641 Old Cutler Bay Palmetto Bay, FL	Library and Community Center		Modified Fire Resistive
		Special Form	\$3,100,000	Special Form	\$50,000
006	002	17641 Old Cutler Bay Palmetto Bay, FL	Amphitheater		Non-Combustible
		Special Form	\$150,000	Special Form	\$1,897
006	003	17641 Old Cutler Bay Palmetto Bay, FL	Pavilion		Non-Combustible
		Special Form	\$32,000		\$0
006	007	17641 Old Cutler Bay Palmetto Bay, FL	Signage/Worm		Non-Combustible
		Special Form	\$25,000		\$0
006	020	17641 Old Cutler Bay Palmetto Bay, FL	Rear Emergency Door Canopy		Non-Combustible
		Special Form	\$1,000		\$0
006	021	17641 Old Cutler Bay Palmetto Bay, FL	Parking Lot Security Lighting (21 poles/fixture-double)		Masonry Non-Combustible
		Special Form	\$105,000		\$0
006	022	17641 Old Cutler Bay Palmetto Bay, FL	Pathway Security Lighting (28)		Masonry Non-Combustible
		Special Form	\$70,000		\$0
006	023	17641 Old Cutler Bay Palmetto Bay, FL	Flag Pole (1)		Masonry Non-Combustible
		Special Form	\$7,000		\$0
006	024	17641 Old Cutler Bay Palmetto Bay, FL	Park Benches w/backs (6)		Masonry Non-Combustible
		Special Form	\$5,400		\$0
006	025	17641 Old Cutler Bay Palmetto Bay, FL	Park Benches w/o backs (6)		Masonry Non-Combustible
		Special Form	\$6,600		\$0
006	026	17641 Old Cutler Bay Palmetto Bay, FL	Park Benches concrete (1)		Masonry Non-Combustible
		Special Form	\$250		\$0
006	027	17641 Old Cutler Bay Palmetto Bay, FL	Receptacles (4)		Masonry Non-Combustible
		Special Form	\$5,400		\$0
006	028	17641 Old Cutler Bay Palmetto Bay, FL	Receptacles (recycle) (2)		Masonry Non-Combustible
		Special Form	\$900		\$0
006	029	17641 Old Cutler Bay Palmetto Bay, FL	Water Fountain (1 double bubble/antique)		Masonry Non-Combustible
		Special Form	\$2,700		\$0
006	030	17641 Old Cutler Bay Palmetto Bay, FL	Mosquito Spray System		Masonry Non-Combustible
		Special Form	\$2,994		\$0
006	031	17641 Old Cutler Bay Palmetto Bay, FL	Four-Faced Clock		Masonry Non-Combustible
		Special Form	\$34,000		\$0
006	032	17641 Old Cutler Bay Palmetto Bay, FL	Picnic Tables (2 weighted)		Masonry Non-Combustible
		Special Form	\$3,246		\$0

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
006	033	17641 Old Cutler Bay Palmetto Bay, FL	Bicycle Rack (1)	Masonry Non-Combustible	
		Special Form	\$800		\$0
006	034	17641 Old Cutler Bay Palmetto Bay, FL	Bulletin Boards (1)	Non-Combustible	
		Special Form	\$1,000		\$0
006	035	17641 Old Cutler Bay Palmetto Bay, FL	Dumpster Enclosure	Non-Combustible	
		Special Form	\$9,500		\$0
006	036	17641 Old Cutler Bay Palmetto Bay, FL	Bronze Plaques (2)	Non-Combustible	
		Special Form	\$6,000		\$0
007	001	SW 136 St and Old Cutler Road Palmetto Bay, FL	Entrance Monument	Non-Combustible	
		Special Form	\$23,125		\$0
008	001	SW 138 Street and US 1 (Approx) Palmetto Bay, FL	Entrance Monument	Non-Combustible	
		Special Form	\$23,125		\$0
009	001	SW 183 St and US 1 (Approx) Palmetto Bay, FL	Entrance Monument	Non-Combustible	
		Special Form	\$23,125		\$0
010	001	SW 183 Terrace and Old Cutler Road (Approx) Palmetto Bay, FL	Entrance Monument	Non-Combustible	
		Special Form	\$23,125		\$0
012	001	16425 South Dixie Highway Palmetto Bay, FL	Pavilion	Non-Combustible	
		Special Form	\$36,000		\$0
012	009	16425 South Dixie Highway Palmetto Bay, FL	Signage (2 Wooden Sandblasted)	Frame	
		Special Form	\$23,850		\$0
012	010	16425 South Dixie Highway Palmetto Bay, FL	Signage (Metal)	Non-Combustible	
		Special Form	\$1,000		\$0
012	011	16425 South Dixie Highway Palmetto Bay, FL	Lake Aerator/Fountain	Masonry Non-Combustible	
		Special Form	\$30,000		\$0
012	012	16425 South Dixie Highway Palmetto Bay, FL	Picnic Tables (7)	Masonry Non-Combustible	
		Special Form	\$4,200		\$0
012	013	16425 South Dixie Highway Palmetto Bay, FL	Park Benches (6)	Masonry Non-Combustible	
		Special Form	\$3,528		\$0
012	014	16425 South Dixie Highway Palmetto Bay, FL	Water Fountains (2)	Masonry Non-Combustible	
		Special Form	\$9,000		\$0
012	015	16425 South Dixie Highway Palmetto Bay, FL	Doggie Dispensers (5)	Masonry Non-Combustible	
		Special Form	\$1,750		\$0
012	016	16425 South Dixie Highway Palmetto Bay, FL	Fencing	Masonry Non-Combustible	
		Special Form	\$23,850		\$0
012	017	16425 South Dixie Highway Palmetto Bay, FL	Receptacles (3)	Masonry Non-Combustible	
		Special Form	\$1,950		\$0
012	018	16425 South Dixie Highway Palmetto Bay, FL	Receptacles (1 recycle)	Masonry Non-Combustible	
		Special Form	\$450		\$0

## Property Schedule

Village of Palmetto Bay, FMIT #1028

October 1, 2019 - October 1, 2020

Location #		Address	Occupancy	Construction Type	
Loc	Bld	Cause of Loss - Building	Limit	Cause of Loss - Personal Property	Limit
012	019	16425 South Dixie Highway Palmetto Bay, FL	Receptacles (7 wire receptacles)	Masonry Non-Combustible	
		Special Form	\$1,750		\$0
012	020	16425 South Dixie Highway Palmetto Bay, FL	Bulletin Boards (1)	Non-Combustible	
		Special Form	\$820		\$0
013	001	9705 East Hibiscus Street Palmetto Bay, FL	Village Hall	Joisted Masonry	
		Special Form	\$6,800,000	Special Form	\$600,000
013	004	9705 East Hibiscus Street Palmetto Bay, FL	Water/Well Pumps (2) (B)	Non-Combustible	
		Special Form	\$125,000		\$0
013	005	9705 East Hibiscus Street Palmetto Bay, FL	Gray Signs Entrance & Lobby (2)	Non-Combustible	
		Special Form	\$27,790		\$0
013	011	9705 East Hibiscus Street Palmetto Bay, FL	Pumping Station (Red)	Non-Combustible	
		Special Form	\$20,000		\$0
013	012	9705 East Hibiscus Street Palmetto Bay, FL	Electric Panel	Masonry Non-Combustible	
		Special Form	\$410,570		\$0
013	013	9705 East Hibiscus Street Palmetto Bay, FL	Lights on walkway out front	Masonry Non-Combustible	
		Special Form	\$130,000		\$0
013	014	9705 East Hibiscus Street Palmetto Bay, FL	Parking Lot Lights	Masonry Non-Combustible	
		Special Form	\$42,000		\$0
013	015	9705 East Hibiscus Street Palmetto Bay, FL	Trash Cans	Masonry Non-Combustible	
		Special Form	\$1,166		\$0
013	016	9705 East Hibiscus Street Palmetto Bay, FL	Benches	Masonry Non-Combustible	
		Special Form	\$3,724		\$0
013	017	9705 East Hibiscus Street Palmetto Bay, FL	Flower Pots	Masonry Non-Combustible	
		Special Form	\$2,800		\$0
013	018	9705 East Hibiscus Street Palmetto Bay, FL	Small Silver & White Cylinder Lights (10)	Masonry Non-Combustible	
		Special Form	\$7,970		\$0
013	019	9705 East Hibiscus Street Palmetto Bay, FL	Large Silver & White Cylinder Lights (2)	Masonry Non-Combustible	
		Special Form	\$1,551		\$0
013	020	9705 East Hibiscus Street Palmetto Bay, FL	Metal Sculpture	Masonry Non-Combustible	
		Special Form	\$44,480		\$0
013	021	9705 East Hibiscus Street Palmetto Bay, FL	Outside Generator and 2000 gal Diesel Storage Tank	Non-Combustible	
		Special Form	\$101,900		\$0
014	001	168th St SW and 87th Ave. Palmetto Bay, FL	Concrete and Metal Sculpture	Masonry Non-Combustible	
		Special Form	\$22,630		\$0
		<b>Total:</b>	<b>\$19,352,802</b>		<b>\$1,107,180</b>

## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

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

### C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. - **Definitions**.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

**c. Personal Property Of Others that is:**

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under Additional Coverages - Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph n., does not apply to your "stock" of prepackaged software.
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.This paragraph does not apply to:
  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

**3. Covered Causes Of Loss**

See applicable Causes of Loss Form as shown in the Declarations.

**4. Additional Coverages**

**a. Debris Removal**

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

**(5) Examples**

The following examples assume that there is no coinsurance penalty.

**Example #1**

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 50,000
Amount of Loss Payable	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$ 10,000
Debris Removal Expense Payable	\$ 10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

## Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows:  $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$ ; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ( $\$79,500 + \$30,000 = \$109,500$ ) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

### b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

### c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

### d. Pollutant Clean Up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

### e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
  - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.  
The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
  - (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered - Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage - Electronic Data, subject to the following:

- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage - Electronic Data includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Electronic Data.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage - Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

#### (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
  - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.
- (2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-Premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**f. Non-Owned Detached Trailers**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes of Loss Form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

**D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

### Example No. 1:

(This example assumes there is no coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Bldg. 1:	\$ 60,000
Limit of Insurance - Bldg. 2:	\$ 80,000
Loss to Bldg. 1:	\$ 60,100
Loss to Bldg. 2:	\$ 90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$ 60,100
- 250
<hr/>
\$ 59,850 Loss Payable - Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139,850

### Example No. 2:

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1:	\$ 70,000
(exceeds Limit of Insurance plus Deductible)	
Loss to Bldg. 2:	\$ 90,000
(exceeds Limit of Insurance plus Deductible)	
Loss Payable - Bldg. 1:	\$60,000
(Limit of Insurance)	
Loss Payable - Bldg. 2:	\$80,000
(Limit of Insurance)	
Total amount of loss payable:	\$140,000

## E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Abandonment

There can be no abandonment of any property to us.

## 2. Appraisal

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.

- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 6. Vacancy

##### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

- (ii) Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- d. Glass at the cost of replacement with safety glazing material if required by law.

**e. Tenant's Improvements and Betterments at:**

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

**F. Additional Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

**Example No. 1 (Underinsurance):**

When:	The value of the property is	\$ 250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$ 100,000
	The Deductible is	\$ 250
	The amount of loss is	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

**Example No. 2 (Adequate Insurance):**

When:	The value of the property is	\$ 250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$ 200,000
	The Deductible is	\$ 250
	The amount of loss is	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**Example No. 3:**

When:	The value of property is:	
	Bldg. at Location No. 1	\$ 75,000
	Bldg. at Location No. 2	\$ 100,000
	Personal Property at Location No. 2	\$ <u>75,000</u>
		\$ 250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is \$ 180,000

The Deductible is \$ 1,000

The amount of loss is: Bldg. at Location No. 2 \$ 30,000

Personal Property at Location No. 2. \$ 20,000

\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**2. Mortgageholders**

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

**G. Optional Coverages**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

**1. Agreed Value**

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

**2. Inflation Guard**

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.

- b. The amount of increase will be:

- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

**Example:**

If:	The applicable Limit of Insurance is	\$ 100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the policy year (or last policy change) is	146
	The amount of increase is \$100,000 x .08 x 146 ÷ 365 =	\$ 3,200

**3. Replacement Cost**

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;

- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

  - (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and
  - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

#### 4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

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

### **COVERAGE EXTENSIONS**

It is agreed the Designated Member's property coverage under Coverage Extensions within the Building and Personal Property Coverage Form CP 00 10 04 02 is amended by this Form. To the extent of any conflict between any of the terms or conditions of Form CP 00 10 04 02 and this Form, this Form will control the availability and extent of Coverage Extensions to be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

#### **5. COVERAGE EXTENSIONS**

The limits of liability described in this Coverage Extension shall apply as specified in each of the following categories, but do not increase any other applicable limit of liability of the Coverage Agreement:

- a. Newly Acquired or Constructed Property – Newly acquired Building or Personal Property is property in which you acquire an insurable ownership interest after inception of the Coverage Agreement. Newly constructed Building or Personal Property is property in which you acquire an insurable ownership interest after inception of the Coverage Agreement as the result of your construction of it during the coverage term. The most the Trust will pay for loss or damage under this Extension is 50% of the Limit of Insurance for Real Property and Personal Property shown in the Declarations, but not more than \$2,000,000 Building Coverage and \$500,000 Personal Property Coverage, applicable per Scheduled Location.
  1. Coverage under this Extension for each newly acquired or constructed property will end when any of the following first occurs:
    - a) This Coverage Agreement expires;
    - b) 60 days expire after you acquire legal ownership or begin construction of the property if the total insured value applicable to newly acquired or constructed property exceeds \$1,000,000 individually or in combination; or
    - c) You report property values for the newly acquired or constructed property to us.
  2. As a condition of this coverage, additional premium will be calculated on a pro-rata basis from the date you acquire or commence construction of the new property. The additional premium will be due immediately if the total insured value applicable to newly acquired or constructed property exceeds \$2,500,000; or the additional premium will be due October 1 of the following Trust coverage year if the total insured value applicable to newly acquired or constructed property is less than \$2,500,000 and it remains covered by the Trust.

3. Coverage for newly acquired or constructed property as described herein shall be subject to the corresponding Real and Personal Property per occurrence deductible for all other perils specified in the Declarations or the Named Storm Percentage Deductible, depending upon the covered peril causing the loss or damage.
- b. Valuable Papers and Records (Valuable Papers and Records Coverage Form CM00670904) - Cost of Research - The most the Trust will pay under this Extension is \$500,000 per Designated Member, per occurrence.
- c. Outdoor Signs - (other than signs attached to buildings). The coverage amount described in Form CP 00 10 04 02, Coverage Extension e. "Outdoor Property" is increased for signs for the causes of loss specified therein including fire, lightning, explosion, riot, civil commotion or aircraft. The most the Trust will pay for loss or damage to outdoor signs under this Extension is \$25,000 per outdoor sign. The most the Trust will pay for vehicular damage to such outdoor signs is \$10,000 subject to a \$2,500 deductible per occurrence. The most the Trust will pay for all claims covered under this Extension is \$100,000 in aggregate per Trust coverage year.
- d. Accounts Receivable (Accounts Receivable Coverage Form CM00660904) - You may extend the coverage that applies to your Business Personal Property to apply to your records of accounts receivable while they are at a Scheduled Location. Accounts Receivable are amounts owed to you by those with whom you deal in operating your business. The most the Trust will pay for loss under this Extension is \$500,000 per Designated Member, per occurrence.
- e. Extra Expense (Extra Expense Coverage Form CP00500402) - You may extend the coverage that applies to your Building and Personal Property to apply to expenses over and above your ordinary business expenses, which are necessary to avoid or minimize the suspension of business and return to normal operations after a covered loss to Buildings or Personal Property at a "Scheduled Location. The coverage limit for all claims covered under this Extension is \$1,000,000 in aggregate per Trust coverage year.

The Civil Authority period of coverage is extended to 60 days. This Extension insures loss resulting from the interruption of business due to damage to or destruction of property (of the type insured against) situated within the vicinity of the Designated Member's property which shall prevent or hinder the use thereof, limited however, to a period of interruption not to exceed sixty (60) consecutive days and a one (1) mile limitation. However, in no event shall any loss exist (or be adjusted) unless the duration exceeds twenty-four (24) consecutive hours.

- f. Piers, wharves, and docks - Coverage is extended to include the Causes of Loss - Basic Form for scheduled piers, wharves, and docks. However, the Trust will not pay for loss or damage to these items if caused by the peril of windstorm or hail including Named Storm, or if caused by waves including objects or debris driven by waves when resulting from a Named Storm.
- g. Underground pipes, flues, and drains - Coverage is extended to include the Causes of Loss - Basic Form for scheduled underground pipes, flues, and drains.
- h. Business Income (Business Income Coverage Form CP00320402) – You may extend the coverage that applies to your operations to apply to business

interruption caused by a covered cause of loss. The coverage limit for all claims covered under this Extension is \$500,000 in aggregate per Trust coverage year.

The Civil Authority period of coverage is extended to 60 days. This Extension insures loss resulting from the interruption of business due to damage to or destruction of property (of the type insured against) situated within the vicinity of the Designated Member's property which shall prevent or hinder the use thereof, limited however, to a period of interruption not to exceed sixty (60) consecutive days and a one (1) mile limitation. However, in no event shall any loss exist (or be adjusted) unless the duration exceeds twenty-four (24) consecutive hours.

- i. Arson Reward - Subject to a limit of \$5,000 per occurrence, the Trust will reimburse the Designated Member for rewards it pays for information leading to conviction for an act of arson that resulted in loss or damage to Covered Property by a covered cause of loss.
- j. Electronic Data Processing Equipment (Software) – The Trust will pay for mechanical breakdown for software at scheduled locations of the Designated Member. Software means all forms of converted data and/or instruction vehicles employed in your data processing operation. Also included is the medium on which data is recorded such as magnetic tapes, hard disk or floppy disks. Software that is the property of others is covered as long as you are responsible for it.

The most the Trust will pay for a loss under this Extension is \$250,000 per occurrence.

- k. Personal Property Off-Premises – The limit described in Building and Personal Property Coverage Form, CP 00 10 04 02, A.5.d.(3) is amended to read \$250,000 for Personal Property.
- l. Personal Property of Others – The limit described in Building and Personal Property Coverage Form, CP 00 10 04 02, A.5.b. is amended to read \$50,000 for Personal Property.
- m. Preservation of Property – If it is necessary to move covered property from the Scheduled Location to preserve it from loss or damage by a covered cause of loss, the Trust will pay up to \$100,000 in aggregate per Trust coverage year under this Extension for any direct physical loss or damage to that property:
  - (1) While it is being moved or while temporarily stored at another location; and
  - (2) Only if the loss or damage occurs within 30 days after it is first moved.
- n. Service Interruption Coverage – In the event a covered cause of loss directly causes damage to off-premises utility and power stations, substations, transformer or switching or pumping stations (including off-premises poles, towers, but excluding overhead transmission and distribution lines), the Trust will pay for damage to covered property at a Scheduled Location directly resulting from interruption of electricity, steam, water, natural gas or refrigeration. This coverage is limited to direct damage within one thousand (1,000) feet of the property line of the Scheduled Location.

The dollar deductible stated in the Declarations, subject to a minimum

deductible of \$5,000, shall apply after a 72 hour waiting period has been fully applied as measured from the time of resulting damage to covered property to the time when, with due diligence, the interrupted service would be restored.

The coverage limit for all claims covered under this Extension is \$100,000 in aggregate per Trust coverage year.

However, the Trust will not pay for any direct physical loss due to any interruption of service from a satellite, regardless of cause.

- o. Pollutant Clean-up and Removal – The limit described in Building and Personal Property Coverage Form, CP 00 10 04 02, A.4.d is amended to read \$100,000 for Expenses.
- p. Property in Transit – The limit described in Causes of Loss – Special Form, CP 10 30 04 02, F.1.c. is amended to read \$250,000 for Personal Property.
- q. Antiques and Objects of Art – The most the Trust will pay under this Extension is \$15,000 per item, up to \$250,000 in aggregate per Trust coverage year.
- r. Recertification/Recharge of Equipment – The Trust will pay the cost to recertify/recharge portable fire fighting, ambulance or rescue equipment when discharged to control a fire or such equipment is damaged in a covered loss.

The Trust will pay the cost to refill fixed halon or carbon dioxide extinguishing systems which protect data processing operations when they discharge as intended to control a covered loss, provided the Designated Member keeps the halon or carbon dioxide systems in good working order while this agreement is in effect. This Extension does not cover any accidental discharge or discharge that occurs at the time of installation, repair or recharging of the halon or carbon dioxide system. The most the Trust will pay in any one occurrence is \$250.00.

- s. Errors and Unintentional Omissions – The Trust will pay up to \$100,000 in aggregate per Trust coverage year if, by error or unintentional omission, the Designated Member omitted any building or personal property item(s) of like kind and type as those which were properly scheduled for coverage under the Coverage Agreement. This coverage shall only apply to Building and Personal Property items required to be identified and included within the member's Real and Personal Property Schedule for coverage. Upon discovery of any such error or unintentional omission by the Designated Member or the Trust, omitted items must be reported to the Trust as soon as practicable and as a condition of this coverage, additional premium will become due as if calculated from Coverage Agreement inception. This coverage shall be subject to the corresponding Real and Personal Property per occurrence deductible for all other perils specified in the Declarations or the Named Storm Percentage Deductible, depending upon the covered peril causing the loss or damage to property.
- t. Law Enforcement Canine/Equine Expense - While conducting Law Enforcement Activities, the Trust will pay for the in line of duty death or destruction of a certified police canine or horse owned or leased by the Designated Member. The Trust will further reimburse the Designated Member for medical expenses incurred due to the in line of duty injury of a certified police canine or horse owned or leased by the Designated Member where treatment is provided by a licensed veterinarian.

The Trust will also cover the loss of the canine(s)/horses(s) by:

- (1) Breaking into your kennel or other place where your canine(s)/horses(s) may be kept or into a conveyance in which they are being transported. There must be visible signs of break-in.
- (2) Stealing when on exhibition at any show, trial or otherwise, provided the canine(s)/horses(s) are constantly in the charge of an attendant or watchman.

LIMITATION:

The Trust does not insure against loss due to escape or disappearance.

CONDITIONS:

- (1) The described animals covered are in sound condition and not defective in eyesight or hearing at the time the Trust issues this Agreement;
- (2) Necessity for humane destruction of any described animal covered must be certified by a licensed veterinarian.

The most the Trust will pay under this Extension is \$15,000 per animal, up to \$30,000 in aggregate per Trust coverage year.

- u. Covered Property – The distance described in Building and Personal Property Coverage Form (CP 00 10 04 02) A.1.a.(5)(b) and A.1.b. is amended to read on or within 1,000 feet of the described premises.
- v. Leasehold Interest Coverage Form, CP 00 60 06 95 – The most the Trust will pay under this Extension is \$100,000 in aggregate per Trust coverage year.
- w. The Trust will provide limited coverage for non-scheduled property in the open (hereafter “non-scheduled PITO”) that suffers direct damage or loss caused by a covered peril. As used herein, non-scheduled PITO means the insurable property of the Designated Member that is not a Building, was not affirmatively included in the Real and Personal Property Schedule for coverage, and satisfies the following conditions:
  - (1) FMIT must first determine the non-scheduled PITO property is:
    - a. Permanently located at a Scheduled Location;
    - b. Freestanding in an open area outside and not attached to, forming any portion of, nor providing any auxiliary function or service to, a Building; and
    - c. Not already included for coverage in the Designated Member’s Real and Personal Property Schedule (RPP Schedule) nor otherwise covered pursuant to ordinary application of the Coverage Agreement including the Building and Personal Property Coverage Form; and
  - (2) Coverage and coverage limits for non-scheduled PITO property are as follows:
    - a. The non-scheduled PITO coverage limit is the amount shown beside non-scheduled PITO sub-limit in the Declarations.

- b. The non-scheduled PITO coverage limit will be an annual aggregate limit calculated as 1% of the Designated Member's total Real and Personal Property scheduled and insured values (rounded up to the nearest \$10,000), subject to a minimum aggregate limit per Trust coverage year of \$100,000 and a maximum aggregate limit per Trust coverage year of \$500,000. However, if the total amount shown in the Declarations for Real and Personal Property coverage limits is less than \$100,000, the minimum non-scheduled PITO annual aggregate limit will be the lesser of \$100,000 or the total amount shown in the Declarations for Real and Personal Property limits;
  - c. Maximum per-item limit of coverage is \$25,000; and
  - d. For the removal of doubt, the Trust's intent is to only provide the Designated Member the above monetary limit of coverage for non-scheduled PITO; it does not intend to duplicate coverage arising elsewhere in the Coverage Agreement nor confer the same status afforded to any covered property which was affirmatively added to the Real and Personal Property Schedule. Further, the above-referenced limit of coverage is included within, forms part of, and is not in addition to, the Property and Allied Coverages coverage limit shown in the Declarations; and
- (3) A deductible for non-scheduled PITO property will apply as follows:
- a. For loss or damage caused by Named Storm, a separate per-occurrence deductible will apply. This deductible will be calculated by applying the relevant Named Storm Percentage Deductible to the non-scheduled PITO Coverage Limit referred to above and shown in the Declarations; and
  - b. For loss or damage by all other causes, the deductible specified in the Declarations for all other perils will apply per occurrence; and
- (4) Coverage is excluded for the following non-scheduled PITO property:
- a. Bridges, aqueducts, docks, piers, water access ramps, dune walkovers, boardwalks of any kind, boat landings and ramps, wharfs, retaining walls and seawalls;
  - b. Rafts and other floating devices or equipment including portable/moveable docks and marinas;
  - c. Underground tunnels, passageways, water mains, pipes, irrigation pipes; and
  - d. Water or sewage lift pumps of every kind, including irrigation pumps, any type of pump and pre-pump station, lift pumps, lift stations and related water control devices.
  - e. Any property at any location subject to a complete coverage exclusion pursuant to coverage endorsement CP 10 50 07 88.
- x. Property Damage Mitigation Coverage. If a Named Storm occurrence results in direct physical damage or loss to a covered Building at a Scheduled Location, the Trust will provide Property Damage Mitigation Coverage to reduce the damage and ultimate costs of loss to the covered Building, subject to the terms specified below. Property Damage Mitigation Coverage will be provided in the form of damage mitigation services from the Trust or its expressly designated

agent at the covered Building and only according to the following terms and conditions:

- (1) Coverage applies when expressly pre-authorized by the Trust within 30 days following the occurrence and after the Trust or its designated agent reasonably determine damage mitigation services will reduce the amount of loss that would have been incurred by the covered Building;
- (2) Coverage applies only to damage mitigation services performed by the Trust or its designated agent, such services to include: evacuation of accumulated water that intrudes a covered Building, providing temporary roof coverings/tarps, emergency demolition of interior flooring or walls if reasonably necessary and/or other services the Trust deems reasonably necessary to reduce the amount of loss that would have been incurred by the covered Building;
- (3) Coverage applies subject to a limit of \$500,000 per occurrence, regardless of the number of Scheduled Locations or Buildings affected;
- (4) There is no deductible except as follows. In the event of physical damage or loss due to flooding that is not storm surge flooding as provided in the Named Storm Coverage and Deductible coverage form (FMIT NS), a per occurrence deductible shall apply as provided in the FMIT FLOOD extension coverage form (In flood zones A or V, \$500,000 deductible per Building, and in flood zones B, C, X or non-zoned, the deductible per building is the Designated Member's all other perils deductible as provided in the Declarations); and
- (5) This coverage does not apply and is excluded for the following:
  - a. Property damage to which the Trust determines other coverages applicable under the Coverage Agreement, including, but not limited to, applicable Extra Expense Coverage;
  - b. Direct payments requested by Designated Members or third parties for damage mitigation services costs if the Trust in its discretion determines costs were incurred outside the terms and conditions of this endorsement;
  - c. Property damage at any Scheduled Location that does not affect a covered Building;
  - d. Property damage to any property in the open and/or PITO, whether individually scheduled or not; and
  - e. Property damage the Trust in its discretion determines to be pre-existing, ordinary wear and tear or deterioration from a lack of reasonably suitable maintenance.

- y. Testing and Detection of Asbestos. The Trust will pay for asbestos testing and detection if it determines asbestos testing or detection is necessary for the repair or replacement of covered property. This coverage is solely limited to testing and/or detection costs and only applies to the portion of covered property which was damaged by a covered peril for which a claim has been made.

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

## FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following provision applies when a Coinsurance percentage is shown in the Declarations:  
Florida law states as follows:  
Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.
- C.** The following is added:  
If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:
1. Broward County;
  2. Dade County;
  3. Martin County;
  4. Monroe County;
  5. Palm Beach County; and
  6. All the areas east of the west bank of the Intra-Coastal Waterway in the Counties of:
    - a. Indian River; and
    - b. St. Lucie.

### WINDSTORM EXTERIOR PAINT AND WATERPROOFING EXCLUSION

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of Buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
  - b. The value of Covered Property when applying the Coinsurance Condition.
- D.** The **Loss Payment** Condition dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:  
Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:
- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
  - (2) Within 30 days after we receive the sworn proof of loss and:
    - (a) There is an entry of a final judgment; or
    - (b) There is a filing of an appraisal award with us; or
  - (3) Within 90 days of receiving notice of claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 90-day time period for payment of claim relates to the portion of the claim that is not denied.  
Paragraph (3) applies only to the following:
    - (a) A claim under a policy covering residential property;
    - (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or

- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

**E. Sinkhole Collapse Coverage Removed**

Sinkhole Collapse coverage is removed as indicated in Paragraphs E.1. through E.4.; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph F.

1. In the Causes of Loss - Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement exclusion.
2. In the Causes of Loss - Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage - Collapse; and sinkhole collapse is no longer an exception to the Earth Movement exclusion.
3. In the Causes of Loss - Special Form, sinkhole collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement exclusion.
4. In the Mortgageholders Errors And Omissions Coverage Form, sinkhole collapse is deleted from the Covered Causes of Loss under Coverage B and from the "specified causes of loss", and is no longer an exception to the Earth Movement exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

- F.** The following is added to this Coverage Part as a Covered Cause Of Loss. In the Causes Of Loss - Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage - Collapse.

**CATASTROPHIC GROUND COVER COLLAPSE**

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

- (a) The abrupt collapse of the ground cover;
- (b) A depression in the ground cover clearly visible to the naked eye;
- (c) Structural damage to the building, including the foundation; and
- (d) The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, structural damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The Earth Movement exclusion and the Collapse exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

## CAUSES OF LOSS - BASIC FORM

### A. Covered Causes Of Loss

When Basic is shown in the Declarations, Covered Causes of Loss means the following:

1. Fire.
2. Lightning.
3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
  - a. Rupture, bursting or operation of pressure relief devices; or
  - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
4. Windstorm or Hail, but not including:
  - a. Frost or cold weather;
  - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
  - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
6. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

### 7. Riot or Civil Commotion, including:

- a. Acts of striking employees while occupying the described premises; and
- b. Looting occurring at the time and place of a riot or civil commotion.

### 8. Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

### 9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
  - (1) Results in sprinkler leakage; or
  - (2) Is directly caused by freezing.
- b. Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

Automatic Sprinkler System means:

- (1) Any automatic fire protective or extinguishing system, including connected:
  - (a) Sprinklers and discharge nozzles;
  - (b) Ducts, pipes, valves and fittings;
  - (c) Tanks, their component parts and supports; and
  - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
  - (a) Non-automatic fire protective systems; and
  - (b) Hydrants, standpipes and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into man-made underground cavities.
11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
  - a. Airborne volcanic blast or airborne shock waves;
  - b. Ash, dust or particulate matter; or
  - c. Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

## B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  - a. **Ordinance Or Law**

The enforcement of any ordinance or law:

    - (1) Regulating the construction, use or repair of any property; or
    - (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

    - (1) An ordinance or law that is enforced even if the property has not been damaged; or
    - (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.
  - b. **Earth Movement**
    - (1) Earthquake, including any earth sinking, rising or shifting related to such event;
    - (2) Landslide, including any earth sinking, rising or shifting related to such event;

- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire or Volcanic Action, we will pay for the loss or damage caused by that fire or Volcanic Action.

### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

### d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

### e. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph B.3.a.(1) applies to these coverages.

**f. War And Military Action**

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

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

**2. We will not pay for loss or damage caused by or resulting from:**

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

- b. Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

- c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss. But we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

- e. Mechanical breakdown, including rupture or busting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- f. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

**3. Special Exclusions**

The following provisions apply only to the specified Coverage Forms.

**a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

- (2) Any loss caused by or resulting from:
- (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

- (4) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.

- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (6) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

- (1) Paragraph B.1.a., Ordinance Or Law; does not apply to insurance under this Coverage Form.

- (2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

- (1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph B.1.a., Ordinance Or Law;
- (b) Paragraph B.1.c., Governmental Action;
- (c) Paragraph B.1.d., Nuclear Hazard;
- (d) Paragraph B.1.e., Utility Services; and
- (e) Paragraph B.1.f., War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in C.2. and C.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A Covered Cause of Loss other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under C.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph b. of Covered Causes Of Loss 9., Sprinkler Leakage.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

**D. Limitation**

We will pay for loss of animals only if they are killed or their destruction is made necessary.

**E. Definitions**

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

## CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations;

that follow.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph B.4.a.(1) applies to these coverages.

**f. War And Military Action**

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

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
  - b. Delay, loss of use or loss of market.
  - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
  - d.(1) Wear and tear;
  - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3) Smog;
  - (4) Settling, cracking, shrinking or expansion;
  - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
- (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.
- But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.
- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
  - g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
    - (1) You do your best to maintain heat in the building or structure; or
    - (2) You drain the equipment and shut off the supply if the heat is not maintained.
  - h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
    - (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.
- This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
  - j. Rain, snow, ice or sleet to personal property in the open.
  - k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
    - l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
 

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.
  - m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
    - of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.
  - But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- (2) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".
    - This exclusion does not apply to Extra Expense.
- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (6) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

##### c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a., Ordinance Or Law;
  - (b) Paragraph B.1.c., Governmental Action;
  - (c) Paragraph B.1.d., Nuclear Hazard;
  - (d) Paragraph B.1.e., Utility Services; and
  - (e) Paragraph B.1.f., War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. Limitations**

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income coverage or Extra Expense coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.
- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or
- (2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
  - (2) To Business Income coverage or to Extra Expense coverage.
3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income coverage or to Extra Expense coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

#### D. Additional Coverage - Collapse

The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in D.1. through D.5. below.

##### 1. With respect to buildings:

- a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

##### 2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:

- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;

- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in 2.a., 2.d. and 2.e.

- 3. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;if the collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:
  - a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
  - b. The property is Covered Property under this Coverage Form.
- 4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
  - a. The collapse was caused by a Cause of Loss listed in 2.a. through 2.f. above;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 4. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- 5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

#### **E. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

- 1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage - Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

- b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, F.3., does not increase the Limit of Insurance.

#### G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or

- (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL EXCLUSIONS

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM  
CAUSES OF LOSS - BROAD FORM  
CAUSES OF LOSS - SPECIAL FORM  
STANDARD PROPERTY POLICY

Prem No.	Bldg. No.	SCHEDULE		
		Exclusion Applicable		
		Windstorm or Hail	Vandalism	Sprinkler Leakage
002	012	X		

A. The following is added to the EXCLUSIONS section, as indicated in the Declarations or by an "X" in the Schedule:

**1. WINDSTORM OR HAIL.**

Windstorm or hail.

**2. VANDALISM.**

Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

**3. SPRINKLER LEAKAGE.**

Sprinkler leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

B. But if loss or damage by any other Covered Cause of Loss results, we will pay for that resulting loss or damage.

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

**ORDINANCE OR LAW COVERAGE**

It is agreed the Designated Member's coverage provided by the Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

Property coverage under Building and Personal Property Coverage Form CP 00 10 04 02 to which this endorsement is attached is amended as follows:

- A.** If a Covered Cause of Loss occurs to covered Building property, we will pay:
1. For loss or damage caused by enforcement of any ordinance or law that:
    - a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
    - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
    - c. Is in force at the time of loss.
  2. The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.
  3. The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use ordinance or law.
- B.** However, we will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants."
- C.** We will not pay for increased construction costs under this endorsement:
1. Until the property is actually repaired or replaced, at the same premises or elsewhere; and
  2. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.
- D.** Payment Restrictions:
1. If the property is repaired or replaced on the same premises, we will not pay more than the amount you actually spend to:
    - a. Demolish and clear the site; and
    - b. Repair, rebuild or construct the property but not for more than property of the same height, floor area and style on the same premises.
  2. If the property is not repaired or replaced on the same premises, we will not pay more than:

- a. The amount you actually spend to demolish and clear the site of the described premises; and
  - b. The cost to replace, on the same premises, the damaged or destroyed property with other property:
    - (1) Of comparable material and quality;
    - (2) Of the same height, floor area and style; and
    - (3) Used for the same purpose.
3. For all loss or damage in any occurrence, we will not pay more than 25% over the actual loss to the property and we will not pay more than the Limit of Insurance applicable to the covered Building property at any Scheduled Location.
- E. The terms of this endorsement apply separately to each building to which the endorsement applies.

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

## **WATERCRAFT EXCLUSION**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - SPECIAL FORM

The following is added to the EXCLUSIONS section:

We will not pay for loss or damage to the following property caused by or resulting from watercraft:

- A. Retaining walls that are not part of a building;
- B. Bulkheads; or
- C. Pilings, piers, wharves or docks.

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

**FLOOD COVERAGE EXTENSION**

It is agreed the Designated Member's coverage provided by Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

Flood Coverage

The Trust will provide coverage for direct physical loss or damage to covered property caused by "flood" as that term is defined herein. Unless otherwise noted, this Flood Coverage Extension ("Flood Extension") shall be deemed to operate only in excess of flood loss or damage coverage provided under any federal National Flood Insurance Program (NFIP) Standard Flood Insurance Policy(ies), whether such policy(ies) is in effect at the building(s) or not, and shall only apply to covered Buildings and Personal Property as defined and covered under a NFIP Standard Flood Insurance Policy.

If any flood coverage through NFIP or any other flood insurance carrier or program is in force and applicable to loss or damage to which this Flood Extension applies, the Trust will not cover such loss or damage on a primary basis but will instead only apply this coverage excess of other flood insurance coverage.

Coverage and loss adjustment will be based on the value of your property at Scheduled Locations as shown in your Declarations (including the Real and Personal Property Schedule and Statement of Values). Additionally, the Trust will adjust covered property loss or damage claims on the basis of the cost to replace the covered property or if not replaced within 24 months following the loss or damage, the actual cash value of such covered property at the time loss or damage occurred.

For the purpose of this Flood Extension, the term "flood" shall mean a rising and overflowing of a body of water onto normally dry land; or the unusual and rapid accumulation or runoff of surface waters from any source, including water which backs up through sewers or drains as a result of any of the foregoing. If this flood coverage applies to a building or part thereof, it shall cover direct loss by flood to foundations, excavations, and all other portions of said building or part thereof, even though the Coverage Agreement may have excluded foundations, excavations and such portions of said building, or part thereof, from coverage. The Trust shall not be liable hereunder for loss by flood to glass, or lettering or ornamentation thereon, which at the time of such loss may be separately covered as such against loss by flood under any other policy of insurance.

All property damage by flood shall be deemed to occur at the time flood waters first contact covered property. However, in all cases, all property damage by flood occurring within a continuous 96-hour period will be considered a single occurrence. The expiration of this agreement will not reduce this 96-hour period.

### Flood Coverage Limit

The Trust will pay the Designated Member for direct physical loss or damage to covered property caused by flood when covered under this Flood Extension up to a limit of \$5,000,000 per occurrence and subject to an annual "Shared Aggregate Flood Limit" as described herein. The applicable annual Shared Aggregate Flood Limit provides a maximum flood coverage limit of \$150,000,000 per Trust year which will be shared by and among all FMIT Designated Members. This Shared Aggregate Flood Limit will be the Trust's maximum limit of flood coverage payable per Trust year, regardless of the timing, frequency or number of flood occurrences, and regardless of the number of Designated Members that present claims for Flood Extension coverage during such Trust year.

### Flood Deductible

Flood coverage at Scheduled buildings wholly or partially in Flood Zones A or V (including prefixes or suffixes thereof) as designated and amended from time to time by the Federal Emergency Management (FEMA), shall only apply excess of and subject to a deductible equal to the greater of the maximum flood coverage limits of \$500,000 per building/\$500,000 personal property that could have been purchased for each affected building and personal property therein through the NFIP, whether purchased or not, or the per occurrence flood coverage limits applicable to the affected building and personal property when any other flood coverage or program is in force and applicable to the flood loss or damage.

Flood coverage at Scheduled Locations in Flood Zones B, C, or X (including prefixes or suffixes thereof) as designated and amended from time to time by FEMA and at Scheduled Locations not in any designated flood zone, shall only apply excess of and subject to a per occurrence deductible equal to the greater of the per occurrence flood insurance coverage deductible of any NFIP policy or other flood insurance policy in force and applicable to the affected building and personal property or a per occurrence deductible equal to the Real and Personal Property deductible specified in the Declarations for all other perils.

If a single occurrence results in non-flood damage to covered property and flood damage covered by this Flood Extension, only the greater of the non-flood Real and Personal Property per occurrence deductible for all other perils or the applicable Flood Deductible described in this section shall apply to the occurrence.

### Exclusions

Notwithstanding the above coverage provisions, this Flood Extension will not provide coverage for:

1. Any sums in excess of the actual replacement cost for covered property such as the cost to replace an affected building so as to comply with any general state law or local building code or ordinance; except where the sum in excess of actual replacement cost does not exceed \$30,000 and is intended for flood proofing, elevation, relocation or demolition required to comply with a state or local floodplain management law or ordinance. If covered property is not replaced, this coverage excludes any sum excess of the actual cash value of such covered property at the time of loss or damage less the value of its physical depreciation;
2. Any structure that does not feature two or more outside rigid walls and a fully secured roof, that is affixed to a permanent site; or any manufactured home or mobile home;
3. Any personal property that is not inside a structure covered under this Flood Extension;
4. Any extra expenses incurred as a result of a flood occurrence;

5. Any loss of use of the covered property;
6. Any loss of revenue, profits or other economic loss;
7. Any sum in excess of the applicable Flood Coverage Limit provided under this Flood Extension; or
8. Any storm surge flooding caused by or as the result of a Named Storm and involving rising waters that originate from the Gulf of Mexico or Atlantic Ocean.

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

**NAMED STORM COVERAGE AND PERCENTAGE DEDUCTIBLE ENDORSEMENT**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM OF THE COVERAGE AGREEMENT.**

It is agreed the Designated Member's coverage provided by the Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

This endorsement replaces the Section D. Deductible provisions of the Building and Personal Property Coverage Form CP 00 10 04 02 and applies to all coverage provided when direct physical loss or damage to covered property is caused by Named Storm as specified below.

- I. For purposes of this endorsement and all coverage provided when property loss or damage is caused by Named Storm, the following shall apply:

- a. Definitions

1. "Named Storm" means a named windstorm weather condition that is officially declared by the National Hurricane Center of the National Weather Service to be a Tropical Storm or Hurricane.

2. "Inland County," as used herein, shall mean an interior county and includes any of the following Florida counties: Alachua, Baker, Bradford, Calhoun, Clay, Columbia, De Soto, Gadsden, Gilchrist, Glades, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Lafayette, Lake, Leon, Madison, Marion, Okeechobee, Orange, Osceola, Polk, Putnam, Seminole, Sumter, Suwanee, and Union.

3. "Coastal County," as used herein, shall mean a coastal county which directly borders the Gulf of Mexico or Atlantic Ocean and is specifically intended to include any Florida county not listed within the definition of "Inland County."

4. "Non-scheduled PITO property," as used herein, shall have the same meaning as provided in FMIT Coverage Extension 5.w.

- b. Coverage:

1. Subject to all terms, conditions, limitations and exclusions applicable when the Trust must determine if claims for loss or damage are covered pursuant to Section A. "Coverage" of the Building and Personal Property Coverage Form CP 00 10 04 02, the Trust will pay for direct physical loss or damage to covered property caused by Named Storm when such loss or damage is:

a. Caused by wind, hail, rain, lightning or tornadoes, if all or any of these occur as a part of and during a Named Storm; or

b. Caused by storm surge flooding that occurs at Scheduled Locations as the result of a Named Storm and involves rising waters that originate from the Gulf of Mexico or Atlantic Ocean. FMIT's storm surge flooding coverage will apply on a primary basis except for any locations where any other flood insurance coverage or program is in force and applies to the flooding occurrence. FMIT's storm surge flooding coverage will only apply excess of coverage from the other flood insurer's coverage and is subject to a deductible which will be the greater of the other flood insurer's flood coverage deductible or FMIT's Named Storm Percentage Deductible. For the removal of doubt, this coverage excludes coverage for flooding as provided elsewhere in the Coverage Agreement, including unusual and rapid accumulation or runoff of surface waters from rain or any source, unless such flooding is storm surge flooding as described above in this subsection "b."

2. A Named Storm occurrence is deemed to begin at the time direct physical loss or damage to covered property caused by a Tropical Storm or Hurricane first occurs after the corresponding Tropical Storm or Hurricane watch or warning is issued. However, in all cases, all property loss or damage caused by Named Storm and occurring within a continuous ninety-six (96) hour period will be considered a single occurrence.

3. Notwithstanding Cause of Loss – Basic Form section A.4. c. and Cause of Loss – Special Form Section C.1.c.(1), the Trust will pay for direct physical loss or damage to your covered property caused by Named Storm when:

a. there is rain intrusion at an identified wall, roof or window site, resulting in damage to the interior of a covered building or structure or to the covered property inside such building or structure; and

b. such rain intrusion was caused by the damaging force and effect of wind-driven rain upon the building or structure during a Named Storm.

However, this coverage will not be provided where the Trust's Administrator determines the subject building was not suitably maintained by the Member as evidenced by pre-existing damage or deterioration at the rain intrusion site that is unrelated to the Named Storm.

II. Named Storm Percentage Deductibles:

a. Inland County Named Storm Percentage Deductible. If a Named Storm causes loss or damage to covered property identified in the Real and Personal Property Schedule at an Inland County Scheduled Location, a per-occurrence deductible equal to 3% shall apply. This deductible will be calculated by applying the Inland County Named Storm Percentage Deductible described herein, on a per-item basis, to the agreed and scheduled value of each damaged property item.

b. Coastal County Named Storm Percentage Deductible. If a Named Storm causes loss or damage to covered property identified in the Real and Personal Property Schedule at a Coastal County Scheduled Location, a per-occurrence deductible equal to 5% shall apply.

This deductible will be calculated by applying the Coastal County Named Storm Percentage Deductible described herein, on a per-item basis, to the agreed and scheduled value of each damaged property item.

c. If a Named Storm causes loss or damage to non-scheduled PITO property, and the Trust determines there is coverage by application of the non-scheduled PITO property Coverage Extension 5.w., the relevant (Inland or Coastal) Named Storm Percentage Deductible described above shall apply on a per-occurrence basis. This deductible will be calculated by applying the relevant Named Storm Deductible percentage to the non-scheduled PITO Coverage Limit as provided under Coverage Extension 5.w. and shown in the Declarations.

III. Coinsurance Calculation (when applicable):

For any instance in which a coinsurance condition is applicable to a claim that arises from a Named Storm, the relevant (Inland or Coastal) Named Storm Percentage Deductible described above shall be calculated based on the amount determined by FMIT to be replacement cost value of the damaged property at the time of the occurrence, not based upon the values contained in the Designated Member's Declarations (including the Designated Member's Real and Personal Property Schedule, and Statement of Values). Applicable coinsurance amounts will be calculated as provided in Section F. Additional Conditions provisions of the Building and Personal Property Coverage Form CP 00 10 04 02.

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

**TERRORISM PHYSICAL LOSS OR PHYSICAL DAMAGE**

It is agreed the Designated Member's coverage provided by the Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)" or "Member" shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

**LIMIT:**

\$5,000,000 Aggregate Per Coverage Year

**DEDUCTIBLE:**

\$25,000 per Occurrence or the deductible amount described on the Property, Allied Lines and Crime Declaration Page, whichever is greater.

**COVERAGE:**

Unless expressly provided otherwise below and subject to all exclusions, limits and conditions provided herein, this coverage insures only against direct physical loss or physical damage to covered property, as described in the Declarations forming part of the Coverage Agreement, occurring during the effective period of this policy, when caused by an act of Terrorism or Sabotage as those terms are defined below. The scope of coverage provided is as follows:

- A. **Property Damage.** With respect to such direct physical loss or physical damage, the Trust agrees to pay to repair or replace such damaged property or any part of it and, in the event the property cannot be repaired or replaced, the Trust agrees to pay an amount equal to the value of the property at the time of its loss or destruction.
- B. **Business Interruption.** Additionally, when required due to direct physical loss or physical damage to covered property caused by an act of Terrorism or Sabotage, this coverage also includes: the amount of loss resulting from Business Interruption at the covered property; debris removal expense at the covered property; necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts required to repair or replace the covered property; and expenses required to reduce the loss to covered property.

**DEFINITIONS:**

For purposes of this coverage, the following definitions shall apply:

- A. **Occurrence**, shall mean any one loss and/or series of losses arising out of and directly occasioned by one act or series of acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one Occurrence shall be limited to all losses sustained by the Member at covered property locations during any period of 72 consecutive hours arising out of the Terrorism or Sabotage with the same purpose or cause. However, no such period of 72 consecutive hours may commence prior to the effective date of this

policy nor shall any period of 72 consecutive hours extend beyond the expiration of this policy unless the Member shall first sustain direct physical damage by an act of Terrorism or an act of Sabotage prior to policy expiration and within an ensuing period of 72 consecutive hours.

- B. **Terrorism**, shall mean 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 sector of the public in fear for such purposes. Terrorism shall include Sabotage.
- C. **Sabotage**, for purposes of this coverage, shall mean a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public or any sector of the public in fear for such purposes.
- D. **Business Interruption**, for purposes of this coverage, shall mean any loss resulting from interruption of or interference with the Member's business at the covered property as a result of physical loss or damage caused by an act of Terrorism, where such loss or damage prevents the use of, or access to, covered property.

**EXCLUSIONS:**

- A. This coverage excludes and shall not insure against:
  - 1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however caused.
  - 2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, military or usurped power or martial law. (The fact that an act of Terrorism is committed by an agent of the sovereign or government entity operating covertly and not in connection with any operation of armed forces or where the act of Terrorism is funded by a sovereign or government entity, will not of itself give rise to the application of this war exclusion).
  - 3. Loss or damage caused by seizure or occupation, whether legal or illegal, unless such physical loss or damage is caused directly by an act of Terrorism or an act of Sabotage.
  - 4. Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Member of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
  - 5. Loss or damage directly or indirectly arising from or in consequence of the seepage and/or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to, any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
  - 6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission release, discharge, dispersal or escape or chemical or

biological exposure of any kind. (This exclusion does not apply if an act of Terrorism causes direct physical property damage or destruction to covered property and such damage or destruction then results in the seepage and/or pollution and/or contamination).

7. Any fine or penalty or other assessment which is incurred by the Member or which is imposed by any court, government agency, public or civil authority or any other person. (This exclusion does not apply if an act of Terrorism causes direct physical property damage or destruction to covered property and such damage or destruction then causes fines, penalties, or assessments as contemplated herein.)
8. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus, corruption, unauthorized instructions or code, or the use of any electromagnetic weapon. This exclusion shall not operate to exclude physical loss or damage to covered property otherwise covered under this policy if arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and /or firing mechanism of any weapon or missile.
9. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion.
10. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
11. Loss or damage caused by measures taken to prevent, suppress or control actual or potential Terrorism or Sabotage unless agreed by underwriting in writing prior to such measures taking place.
12. Loss of use or loss of income unless specifically provided elsewhere in this insurance; delay or loss of markets; depreciation; reduction in functionality; increased cost of working; any other consequential loss or damage except ensuing physical loss or physical damage which is not otherwise excluded by this policy and is directly caused by an act of Terrorism or Sabotage, as insured by this policy.
13. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in or insufficiency of water, gas or electricity supplies and telecommunications or any type of utility service.
14. Loss or damage as a result of threat or hoax.
15. Loss or damage caused by or arising out of burglary, house-breaking, looting, theft or larceny.
16. Loss or damage caused by mysterious disappearance or unexplained loss.
17. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape of asbestos or asbestos exposure of any kind.
18. Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

19. Loss or damage resulting from interference at the Member's premises, by strikers or other persons;
20. Loss or damage caused by the suspension, lapse, or cancellation of any lease, license, contract, or order, unless such results directly from the Member's interruption of business, and then Trust shall be liable for only such loss as affects the Members' earnings during, and limited to, the period of indemnity covered under this policy;
21. Loss or damage caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder.

B. This coverage further excludes and shall not cover physical loss or physical damage to:

1. Land or land values;
2. Power transmission, feeder lines or pipelines not on premises;
3. Any building or structure, including property contained therein, which is vacant or unoccupied or inoperative for more than 30 days, unless the property is intended to be unoccupied in its normal operations;
4. Aircraft or any other aerial device, or watercraft;
5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is specifically scheduled for coverage hereunder and solely while such land conveyance is located at the covered property insured herein at the time of its damage;
6. Animals, plants and living things of all types.

#### **COVERAGE EXTENSIONS**

The Terrorism Physical Loss and Physical Damage coverage provided above by this endorsement is hereby amended to include the following coverage extension:

##### **A. TERRORISM CRISIS MANAGEMENT COSTS**

**LIMIT:**

\$100,000 Aggregate Per Coverage Year and is a sub-limit within, not in addition to, the policy Limit set forth above.

**DEDUCTIBLE:**

There will be no deductible applicable to Terrorism Crisis Management Costs coverage.

**COVERAGE**

The Trust will pay Terrorism Crisis Management Costs directly to specified third parties on behalf of the Member arising from a Terrorism Crisis Management Event that occurs during the Policy Period. As a mandatory condition of this coverage extension, the Member must report any Terrorism Crisis Management Event to the Trust within twenty-four (24) hours of the time that a Key Executive first becomes aware of an Occurrence that gives rise to a Terrorism Crisis Management Event, or as soon as practicable thereafter.

**DEFINITIONS:**

For purpose of this Terrorism Crisis Management Costs coverage extension, the following definitions shall apply:

**Active Shooter Event**, shall mean an individual or group of people actively engaged in killing or attempting to kill people in a confined and/or populated area.

**Crisis Management Firm**, shall mean any firm that is an approved Crisis Management Firm authorized by the Trust and hired by the Member to perform Crisis Management Services in connection with a Terrorism Crisis Management Event.

**Terrorism Crisis Management Event**, shall mean an event: that begins with an act of Terrorism or Sabotage or an Active Shooter Event which occurs at any of the Member's Scheduled Locations as provided in the Declarations; that, in the good faith opinion of a Key Executive of the Member, has resulted in or may reasonably result in (1) Losses covered by this policy that are in excess of the deductible or (2) Significant adverse regional or National media coverage; and that ends when the Trust determines the crisis no longer exists or when the Terrorism Crisis Limit of Insurance or aggregate Limit has been exhausted, whichever occurs first.

**Terrorism Crisis Management Costs**, shall mean the following amounts incurred as a direct result of a Terrorism Crisis Management Event, provided such expenses have been pre-approved by the Trust:

1. Amounts for the reasonable and necessary fees and expenses incurred by a Crisis Management Firm in the performance of Crisis Management Services for the Member solely arising from a covered Terrorism Crisis Management Event; and
2. Amounts for reasonable and necessary printing, advertising, mailing or materials, or travel by directors, officers, employees or agents of the Member or a Crisis Management Firm, provided such expenses have been pre-approved by the Trust.

However, Terrorism Crisis Management Costs exclude any attorney or legal defense costs.

**Terrorism Crisis Management**, shall mean those services performed by a Crisis Management Firm in advising the Member on minimizing: adverse media coverage, losses to covered property covered by this policy endorsement, or disruption to Member operations arising directly from a Terrorism Crisis Management Event.

**Terrorism Crisis Limit of Insurance**, shall mean the maximum amounts the Trust will pay for Terrorism Crisis Management Costs in the aggregate for the Policy Period and referenced above within this coverage extension.

**Key Executive** means the Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, or General Counsel of the Member. A Key Executive may also be any other person holding a title designated by the Member and approved by the Trust.

**EXCLUSIONS:**

The Exclusions section of this endorsement is amended to include the following:

This coverage excludes and shall not insure against:

- A. Any Terrorism Crisis Management Costs incurred after the time the Trust determines

in good-faith that the Terrorism Crisis Management Event has ended or when the above Terrorism Crisis Management Costs Limit of coverage has been exhausted, whichever occurs first; and

- B. Workplace violence; Domestic Violence; Criminal events (such as robbery); Gang related events and Organized crime.

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

## OUTSIDE SIGNS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY

### SCHEDULE\*

Prem. No.	Bldg. No.	Construction Of Sign		Limit Of Insurance	Causes Of Loss Form Applicable	Coinsurance Percentage	Additional Premium
		Entirely Metal	Other				
002	035		X	\$3,000	Special Form Including Theft	100%	Included
002	036	X		\$2,000	Special Form Including Theft	100%	Included
003	012	X		\$25,000	Special Form Including Theft	100%	Included
003	030	X		\$12,500	Special Form Including Theft	100%	Included
004	010	X		\$100,000	Special Form Including Theft	100%	Included
005	007	X		\$10,030	Special Form Including Theft	100%	Included
006	007	X		\$25,000	Special Form Including Theft	100%	Included
007	001	X		\$23,125	Special Form Including Theft	100%	Included
008	001	X		\$23,125	Special Form Including Theft	100%	Included
009	001	X		\$23,125	Special Form Including Theft	100%	Included

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

With respect to outside signs described in the Schedule:

- A. "Signs (other than signs attached to buildings)" is deleted from **Property Not Covered**.
- B. In the Limits Of Insurance section, the provision which pertains to signs attached to buildings does not apply. The limit applicable to each sign is shown in the Schedule.
- C. Outside signs are subject to all applicable provisions of the Causes Of Loss Form indicated in the Schedule. In addition, we will not pay for loss or damage caused by or resulting from any of the following:

1. Dampness or dryness of atmosphere;
2. Changes in or extremes of temperature;
3. Marring or scratching; or
4. Rain, snow, ice or sleet.

However, if the sign is attached to the building and is covered under the Causes Of Loss - Special Form, then Exclusions C.1. through C.4. do not apply.

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

## OUTSIDE SIGNS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY

### SCHEDULE\*

Prem. No.	Bldg. No.	Construction Of Sign		Limit Of Insurance	Causes Of Loss Form Applicable	Coinsurance Percentage	Additional Premium
		Entirely Metal	Other				
010	001	X		\$23,125	Special Form Including Theft	100%	Included
012	009		X	\$23,850	Special Form Including Theft	100%	Included
012	010	X		\$1,000	Special Form Including Theft	100%	Included
013	005	X		\$27,790	Special Form Including Theft	100%	Included

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

With respect to outside signs described in the Schedule:

- A. "Signs (other than signs attached to buildings)" is deleted from **Property Not Covered**.
- B. In the Limits Of Insurance section, the provision which pertains to signs attached to buildings does not apply. The limit applicable to each sign is shown in the Schedule.
- C. Outside signs are subject to all applicable provisions of the Causes Of Loss Form indicated in the Schedule. In addition, we will not pay for loss or damage caused by or resulting from any of the following:

1. Dampness or dryness of atmosphere;
2. Changes in or extremes of temperature;
3. Marring or scratching; or
4. Rain, snow, ice or sleet.

However, if the sign is attached to the building and is covered under the Causes Of Loss - Special Form, then Exclusions C.1. through C.4. do not apply.

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

## RADIO OR TELEVISION ANTENNAS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUILDERS' RISK COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY

### SCHEDULE\*

Prem. No.	Bldg. No.	Limit Of Insurance	Causes Of Loss Form Applicable	Coinsurance Percentage	Additional Premium
002	031	\$2,925	Special Form Including Theft	100%	Included
003	027	\$5,000	Special Form Including Theft	100%	Included
003	035	\$2,925	Special Form Including Theft	100%	Included

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

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**A. The following is added to Covered Property:**

Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, as described in the Schedule.

**B. The following is deleted from Property Not Covered:**

"Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers".

**C. Property covered under this endorsement is subject to all applicable provisions of the Causes of Loss form indicated in the Schedule, as well as to the following exclusions:**

We will not pay for loss or damage caused by or resulting from any of the following:

1. Dampness or dryness of atmosphere;
2. Changes in or extremes of temperature; or
3. Rain, snow, ice or sleet.

**FLORIDA MUNICIPAL INSURANCE TRUST**  
**EQUIPMENT BREAKDOWN COVERAGE SCHEDULE**  
**COMMERCIAL PACKAGE POLICY**

Subject to any applicable limits on the Property, Allied Lines and Crime Declarations, the Equipment Breakdown Limit is the most we will pay for loss or damage arising from any "one accident."

These coverages apply to all locations covered on the policy, unless otherwise specified.

<b>I. Coverages</b>	<b>Limits</b>
Equipment Breakdown Limit: School Districts	Subject to the Real and Personal Property Limit described on the Property, Allied Lines and Crime Declarations or \$100,000,000 whichever is less.
Other than School Districts	Subject to the Real and Personal Property Limit described on the Property, Allied Lines and Crime Declarations or \$50,000,000 whichever is less.
Business Income	Subject to the Business Income limit described in Coverage Extensions or described on the Property, Allied Lines and Crime Declarations; whichever is greater.
Extra Expense	Subject to the Extra Expense limit described in Coverage Extensions or described on the Property, Allied Lines and Crime Declarations; whichever is greater.
Data Restoration	\$ 500,000
Expediting Expense	\$1,000,000
"Fungus," Wet Rot, Dry Rot and Bacteria	\$ 25,000
Hazardous Substances	\$ 500,000
Service Interruption	Subject to Business Income, Extra Expense, Data Restoration and Spoilage limits
Spoilage	\$ 500,000
 <b>II. Deductibles</b>	
Direct Coverages	Subject to the Real and Personal Property Deductible described on the Property, Allied Lines and Crime Declarations
Indirect Coverages	Subject to the Time Element deductible described on the Property, Allied Lines and Crime Declarations

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

**EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS-- BASIC FORM  
CAUSES OF LOSS-- SPECIAL FORM

- A. The following is added as an Additional Coverage to the Causes of Loss— Basic Form or Special Form.

**Additional Coverage-- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
  - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - d. 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
  - e. 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.
2. Unless otherwise shown in a "schedule," the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.
  - a. Expediting Expenses  
With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
    - (1) Make temporary repairs; and
    - (2) Expedite permanent repairs or permanent replacement.The most we will pay for loss or expense under this coverage is \$1,000,000 unless otherwise shown in a "schedule."
  - b. Hazardous Substances  
We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.  
This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.  
The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$500,000 unless otherwise shown in a "schedule."
  - c. Spoilage
    - (1) We will pay:
      - (a) For physical damage to "perishable goods" due to spoilage;
      - (b) For physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
      - (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

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- (2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition. The most we will pay for loss, damage or expense under this coverage is \$500,000 unless otherwise shown in a “schedule.”
- d. **Data Restoration**  
We will pay for your reasonable and necessary cost to research, replace and restore lost “data.”  
The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$500,000 unless otherwise shown in a “schedule.”
- e. **Service Interruption**
- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
  - (2) Unless otherwise shown in a “schedule,” Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident.” If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the applicable deductible will apply.
  - (3) The most we will pay in any “one accident” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a “schedule” for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.
- f. **“Fungus,” Wet Rot, Dry Rot And Bacteria**
- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungus,” wet rot, dry rot or bacteria resulting from an “accident.” This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to the extent that such spoilage is covered under Spoilage coverage.
  - (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no “fungus,” wet rot, dry rot or bacteria been involved.
  - (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of “fungus,” wet rot, dry rot or bacteria.
  - (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
  - (5) The most we will pay in any “one accident” for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a “schedule” even if the “fungus,” wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.
- g. **Business Income and Extra Expense**  
Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we

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will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a "schedule."

### 3. EXCLUSIONS

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

a. The following exclusions are modified:

- (1) If the Causes of Loss -- Basic Form applies, the following is added to Exclusion B.2.:  
Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."
- (2) The following is added to Exclusion B.1.g.:  
However, if electrical "covered equipment" requires drying out because of Water, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.
- (3) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

b. The following exclusions are added:

- (1) We will not pay for loss, damage or expense caused by or resulting from:
  - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (b) Any of the following:
    - (i) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or
    - (ii) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.  
However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."
- (2) With respect to Service Interruption and "Fungus," Wet Rot, Dry Rot And Bacteria coverages, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- (4) Except as specifically provided under A.2.f. "Fungus," Wet Rot, Dry Rot And Bacteria coverage, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any "fungus," wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "fungus," wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungus," wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that such spoilage is covered under Spoilage coverage.

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(5) We will not pay for any loss or damage to animals.

4. DEFINITIONS

The following definitions are added:

- a. "Boilers and vessels" means:
- (1) Any boiler, including attached steam, condensate and feedwater piping; and
  - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.
- This term does not appear elsewhere in this endorsement, but may appear in a "schedule."
- b. "Covered equipment"
- (1) "Covered equipment" means, unless otherwise specified in a "schedule," Covered Property:
    - (a) That generates, transmits or utilizes energy; or
    - (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents."Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.
  - (2) None of the following is "covered equipment":
    - (a) Structure, foundation, cabinet or compartment;
    - (b) Insulating or refractory material;
    - (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
    - (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (e) "Vehicle" or any equipment mounted on a "vehicle";
    - (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
    - (g) Dragline, excavation or construction equipment; or
    - (h) Equipment manufactured by you for sale.
- c. "Data" means information or instructions stored in digital code capable of being processed by machinery.
- d. "Electric generating equipment"
- (1) "Electric generating equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:
    - (a) Boilers used primarily to provide steam for one or more turbine-generator units;
    - (b) Turbine-generators (including steam, gas, water or wind turbines);
    - (c) Engine-generators;
    - (d) Fuel cells or other alternative electrical generating equipment;
    - (e) Electrical transformers, switchgear and power lines used to convey the generated electricity; and
    - (f) Associated equipment necessary for the operation of any of the equipment listed in (a) through (e) above.
  - (2) "Electrical generating equipment" does not mean:
    - (a) Elevator or hoist motors that generate electricity when releasing cable, or
    - (b) Equipment intended to generate electricity solely on an emergency basis.The term does not appear elsewhere in this endorsement, but may appear in the "schedule."
- e. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- f. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- g. "One accident" means: If an initial "accident" causes other "accidents," all will be

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considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

- h. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- i. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.  
This term does not appear elsewhere in this endorsement, but may appear in a "schedule."
- j. "Schedule" means the Equipment Breakdown Coverage Schedule.
- k. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.  
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

- B. The Building and Personal Property Coverage Form is modified as follows.  
The definitions stated above also apply to section B. of this endorsement.

1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "schedule." If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

- a. Deductibles for Each Coverage
  - (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
  - (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
  - (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.
- b. Direct and Indirect Coverages
  - (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule."
  - (2) Unless more specifically indicated in the "schedule":
    - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
    - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.
- c. Application of Deductibles
  - (1) Dollar Deductibles  
We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
  - (2) Time Deductible  
If a time deductible is shown in the "schedule," we will not be liable for any loss occurring during the specified number of hours or days

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immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

The number indicated in the "schedule" will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(4) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

a. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

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

c. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced.

However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. Coinsurance

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If a coinsurance percentage is shown in a "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a "schedule." Coverage provided under this endorsement does not provide an additional amount of insurance.

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

**FUNGUS CLEAN UP AND REMOVAL LIMITATION ENDORSEMENT**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:  
COMMERCIAL PROPERTY COVERAGE PART**

**SCHEDULE**

**FUNGUS CLEAN UP AND REMOVAL POLICY LIMIT: \$25,000.00**

- I. The following definitions are added to the policy:
  - a. The term fungus(i), as used in this endorsement and throughout the entire policy, includes, but is not limited to, any form or type of mildew, mold, mushroom, rust, smuts, or yeast, including any allergens, irritants, mycotoxins, or scents, byproducts, microbial volatile organic compounds produced by or associated therewith.
  - b. The term spore(s), as used in this endorsement and throughout the entire policy, means any reproductive body produced by or arising out of any fungus(i).
- II. a. We will pay your expenses for testing for, monitoring, abatement, mitigation, removal, remediation or disposal of:
  - (1) Any fungus(i) or spore(s); or
  - (2) Any substance, vapor, gas or byproducts produced by or arising out of any fungus(i) or spore(s)provided:
  - (3) Such expense is caused by or results from a Covered Cause of Loss that occurs during the policy period;
  - (4) Subject to all other policy conditions, the necessity of such expense is reported to us in writing within 60 days of the date on which the Covered Cause of Loss occurs; and
  - (5) We authorize you to incur such expense.
- b.
  - (1) Regardless of the number of claims, insured locations or occurrences, the most we will pay under this policy, in excess of any applicable deductible, for the sum of all covered expenses described in 1. above, is the FUNGUS CLEAN UP AND REMOVAL POLICY LIMIT shown in the SCHEDULE of this endorsement.
  - (2) Subject to b.(1) above, the FUNGUS CLEAN UP AND REMOVAL POLICY LIMIT applies to and includes the costs associated with the replacement of Covered Property discarded or destroyed as part of the removal or remediation of fungus or spores.

- (3) The FUNGUS CLEAN UP AND REMOVAL POLICY LIMIT is part of, and not in addition to, the Limit of Insurance applicable to the Covered Property.

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

## **FLORIDA - SINKHOLE LOSS COVERAGE**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

- A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. When this endorsement is attached to the Farm Livestock Coverage Form, reference to loss (other than in the term Sinkhole Loss itself) means "loss" as defined in that Coverage Form.
- C. The following is added to this Coverage Part as a Covered Cause of Loss. In the forms which address "specified causes of loss", the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage - Collapse.

**Sinkhole Loss**, meaning loss or damage to Covered Property when structural damage to the building, including the foundation, is caused by settlement or systematic weakening of the earth supporting the building, only when such settlement or systematic weakening results from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

Coverage for Sinkhole Loss includes stabilization of the building (including land stabilization) and repair to the foundation provided such work is in accordance with the requirements of Florida Insurance Law and in accordance with the recommendation of a professional engineer and in consultation with you. The professional engineer must be selected or approved by us. However, until you enter into a contract for performance of building stabilization or foundation repair:

1. We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the building; and
2. Our payment for Sinkhole Loss to Covered Property may be limited to the actual cash value of the loss to such property.

After you have entered into a contract for performance of building stabilization or foundation repair, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. If repair has begun and the aforementioned professional engineer determines that the repairs will exceed the applicable Limit of Insurance, we will pay only the remaining portion of the applicable Limit of Insurance upon such determination. The most we will pay for the total of all Sinkhole Loss, including building and land stabilization and foundation repair, is the applicable Limit of Insurance on the affected building.

- D. Sinkhole Loss does not include:
  1. Sinking or collapse of land into man-made underground cavities; or
  2. Earthquake.
- E. With respect to coverage provided by this endorsement, the Earth Movement exclusion and the Collapse exclusion do not apply.
- F. With respect to a claim for alleged Sinkhole Loss, the following provision is added:

Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department). For alleged Sinkhole Loss to commercial residential or farm residential properties, this program applies instead of any mediation or appraisal procedure set forth elsewhere in this policy.

You or we may file a request with the Department for neutral evaluation; the other party must comply with such request. We will pay the costs associated with the neutral evaluation, regardless of which party makes the request. The neutral evaluator will be selected from a list maintained by the Department. The recommendation of the neutral evaluator will not be binding on you or us.

Participation in the neutral evaluation program does not change your right to file suit against us in accordance with the Legal Action Against Us Condition in this policy; except that the time for filing suit is extended for a period of 60 days following the conclusion of the neutral evaluation process or five years, whichever is later.

**G.** Coverage for Sinkhole Loss under this endorsement does not increase the applicable Limit of Insurance. Even if loss or damage qualifies under, or includes, both Catastrophic Ground Cover Collapse (addressed elsewhere in this Coverage Part) and Sinkhole Loss, only one Limit of Insurance will apply to such loss or damage.

## LEASEHOLD INTEREST COVERAGE FORM

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. COVERAGE

We will pay for loss of Covered Leasehold Interest you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss of or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Leasehold Interest

Covered Leasehold Interest means the following for which an amount of "net leasehold interest" at inception is shown in the Leasehold Interest Coverage Schedule:

**a. Tenants' Lease Interest**, meaning the difference between the:

- (1) Rent you pay at the described premises; and
- (2) Rental value of the described premises that you lease.

**b. Bonus Payments**, meaning the unamortized portion of a cash bonus that will not be refunded to you. A cash bonus is money you paid to acquire your lease. It does not include:

- (1) Rent, whether or not prepaid; or
- (2) Security.

**c. Improvements and Betterments**, meaning the unamortized portion of payments made by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance.

Improvements and betterments are fixtures, alterations, installations or additions:

- (1) Made a part of the building or structure you occupy but do not own; and

- (2) You acquired or made at your expense but cannot legally remove.

**d. Prepaid Rent**, meaning the unamortized portion of any amount of advance rent you paid that will not be refunded to you. This does not include the customary rent due at:

- (1) The beginning of each month; or
- (2) Any other rental period.

#### 2. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

### B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

### C. LIMITS OF INSURANCE

#### 1. Applicable to Tenants' Lease Interest

**a.** The most we will pay for loss because of the cancellation of any one lease is your "net leasehold interest" at the time of loss.

But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

- (1) The difference between the rent you now pay and the rent you will pay under the new lease or other arrangement; or
- (2) Your "net leasehold interest" at the time of loss.

- b. Your "net leasehold interest" decreases automatically each month. The amount of "net leasehold interest" at any time is your "gross leasehold interest" times the leasehold interest factor for the remaining months of your lease. A proportionate share applies for any period of time less than a month.

Refer to the end of this form for a table of leasehold interest factors.

## 2. Applicable to Bonus Payments, Improvements and Betterments and Prepaid Rent

- a. The most we will pay for loss because of the cancellation of any one lease is your "net leasehold interest" at the time of loss.

But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

- (1) The loss sustained by you; or
- (2) Your "net leasehold interest" at the time of loss.

- b. Your "net leasehold interest" decreases automatically each month. The amount of each decrease is your "monthly leasehold interest". A proportionate share applies for any period of time less than a month.

## D. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Appraisal

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties In The Event Of Loss Of Covered Leasehold Interest

- a. You must see that the following are done in the event of loss of Covered Leasehold Interest:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the property at the described premises from further damage by a Covered Cause of Loss. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (7) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 3. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- a. You have complied with all of the terms of this Coverage Part; and
- b.(1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

### 4. Vacancy

#### a. Description of Terms

- (1) As used in this Vacancy Condition, with respect to the tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

#### b. Vacancy Provisions – Subleased Premises

The following provisions apply if the building where direct physical loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs, provided you have entered into an agreement to sublease the described premises as of the time of loss or damage:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
    - (a) Vandalism;
    - (b) Sprinkler leakage, unless you have protected the system against freezing;
    - (c) Building glass breakage;
    - (d) Water damage;
    - (e) Theft; or
    - (f) Attempted theft.
  - (2) With respect to a Covered Cause of Loss not listed in (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.
- c. If you have not entered into an agreement to sublease the described premises as of the time of loss or damage, we will not pay for any loss of Covered Leasehold Interest.

### E. ADDITIONAL CONDITION

The following condition replaces the Cancellation Common Policy Condition:

#### CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance 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 will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund.
6. If this coverage is cancelled, we will calculate the earned premium by:
  - a. Computing the average of the "net leasehold interest" at the:
    - (1) Inception date, and
    - (2) Cancellation date, of this coverage.
  - b. Multiplying the rate for the period of coverage by the average "net leasehold interest".
  - c. If we cancel, we will send you a premium refund based on the difference between the:
    - (1) Premium you originally paid us; and
    - (2) Proportion of the premium calculated by multiplying the amount in paragraph a. times the rate for the period of coverage for the expired term of the policy.
  - d. If you cancel, your refund may be less than the refund calculated in paragraph c.
7. If notice is mailed, proof of mailing will be sufficient proof of notice.

**F. DEFINITIONS**

1. **"Gross Leasehold Interest"** means the difference between the:

- a. Monthly rental value of the premises you lease; and
- b. Actual monthly rent you pay including taxes, insurance, janitorial or other service that you pay for as part of the rent.

This amount is not changed:

- (1) Whether you occupy all or part of the premises; or
- (2) If you sublet the premises.

**Example:**

Rental value of your leased premises	\$5,000
Monthly rent including taxes, insurance, janitorial or other service that you pay for as part of the rent	<u>-4,000</u>
"Gross Leasehold Interest"	\$1,000

2. **"Monthly Leasehold Interest"** means the monthly portion of covered Bonus Payments, Improvements and Betterments and Prepaid Rent. To find your "monthly leasehold interest", divide your original costs of Bonus Payments, Improvements and Betterments or Prepaid Rent by the number of months left in your lease at the time of the expenditure.

**Example:**

Original cost of Bonus Payment	\$12,000
With 24 months left in the lease at time of Bonus Payment	÷ <u>24</u>
"Monthly Leasehold Interest"	\$500

**3. "Net Leasehold Interest":**

a. Applicable to Tenants' Lease Interest.

**"Net Leasehold Interest"** means the present value of your "gross leasehold interest" for each remaining month of the term of the lease at the rate of interest shown in the Leasehold Interest Coverage Schedule.

The "net leasehold interest" is the amount that, placed at the rate of interest shown in the Leasehold Interest Coverage Schedule, would be equivalent to your receiving the "Gross Leasehold Interest" for each separate month of the unexpired term of the lease.

To find your "net leasehold interest" at any time, multiply your "gross leasehold interest" by the leasehold interest factor found in the table of leasehold interest factors attached to this form.

**Example:**

(20 months left in lease, 10% effective annual rate of interest)

"Gross Leasehold Interest"	\$ 1,000
Leasehold Interest Factor	<u>× 18.419</u>
"Net Leasehold Interest"	\$18,419

b. Applicable to Bonus Payments, Improvements and Betterments or Prepaid Rent.

**"Net Leasehold Interest"** means the un-amortized amount shown in the Schedule. Your "net leasehold interest" at any time is your "monthly leasehold interest" times the number of months left in your lease.

**Example:**

"Monthly Leasehold Interest"	\$ 500
With 10 months left in lease	<u>× 10</u>
"Net Leasehold Interest"	\$5,000

## ACTIVE ASSAILANT ENDORSEMENT

THIS ENDORSEMENT'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE MEMBER DURING THE ENDORSEMENT PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO US IN ACCORDANCE WITH THE TERMS OF THIS ENDORSEMENT. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS. COVERAGE FOR EXPENSES OR LOSS MAY REQUIRE OUR PRIOR CONSENT OR APPROVAL. PLEASE READ THIS ENDORSEMENT CAREFULLY.

### Definitions:

#### Active Assailant:

A person or group of persons actively engaged in killing or attempting to cause serious **Bodily Injury** to one (1) or more person(s) by means of the use of a vehicle, explosive device or any **Handheld Weapon**.

#### Active Assailant Event:

An attack by an **Active Assailant** located at an **Insured Location** causing property damage and / or **Bodily Injury** to one (1) or more person(s), excluding the **Active Assailant**, at or within six hundred and fifty (650) feet of an **Insured Location**.

#### Actual Cash Value:

The amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

#### Actual Loss:

The **Member's** verified costs and/or expenses arising out of the **Active Assailant Event** or **Hostage Event** calculated as per the wording.

#### Aggregate Limit of Liability:

The total combined limit of liability under this Endorsement for the **Endorsement Period**. The aggregate amount includes amounts payable under all Sections of this Endorsement, including any sub-limits and all other amount(s) payable under any further endorsements hereto.

#### Bodily Injury:

Any physical injury to a person including death, sickness, disease, or disability and all mental injury, anguish or shock to such persons resulting from such physical injury.

#### Claim:

A written demand received by the **Member** from a third party for **Damages** covered by this Endorsement.

#### Claim Expenses:

All reasonable and necessary fees, costs and expenses incurred with the written consent of the **Trust** resulting from the investigation, adjustment, appraisal, defense or appeal of a **Claim**, suit or proceeding relating to a **Claim**. **Claim Expenses** do not include the salaries, expenses, overheads

or other charges by the **Member** for any time spent in co-operating in the defense, settlement and investigation of any **Claim**.

**Counselling Costs:**

Costs incurred for the provision of care by psychiatrists, social workers or counsellors, except where otherwise provided under any workers' compensation, employers' liability, unemployment compensation or disability laws, statutes or regulations.

**Damages:**

A monetary judgement, monetary award made by a competent court or a monetary settlement. **Damages** shall not include punitive or exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.

**Employee:**

Any person who is:

1. Under a contract of service or apprenticeship with the **Designated Member**; or
2. Supplied to or hired or borrowed by the **Designated Member**; or
3. Under any work experience or similar scheme with the **Designated Member**

whilst employed by the **Designated Member** or engaged by and under the control of the **Designated Member** in connection with the **Designated Member's** business.

**Designated Member:**

The entity, organization or constitutional officer named in Item I. or V. of the Declarations of this Coverage Agreement; **Designated Member** does not include employees or agents of that entity or organization.

**Endorsement Period:**

The period of time during which this Endorsement is in force, as shown in the Schedule.

**Funeral Expenses:**

Costs incurred for the professional services required for the arrangement of a funeral, including the supervision of all the arrangements preceding, during and following the service.

**Handheld Weapon:**

Any instrument in the possession of an **Active Assailant** or **Hostage Taker** that could be used to harm, maim or kill, including acid(s).

**Hostage Taker:**

A person or group of persons, in possession of an explosive device or any **Handheld Weapon**, holding one (1) or more person(s) under duress at an **Insured Location** for a period in excess of one (1) hour.

**Hostage Event:**

An incident by a **Hostage Taker** located at an **Insured Location** which involves one (1) or more person(s) within an **Insured Location** and which lasts for one (1) or more consecutive hours.

**Insured Location(s):**

Any property specified in the **Designated Member's** FMIT Property Schedule, as referenced in the Schedule to this Endorsement, and for which coverage is provided under this Endorsement.

**Member:**

1. the **Designated Member**; and
2. while acting within the scope of his employment, any officer (except constitutional officers), volunteer, servant, or employee of the **Designated Member**, including elected and appointed officials, and members of Boards or Commissions created by the **Designated Member**.

**Occurrence:**

The duration and extent of an **Active Assailant Event** or **Hostage Event** shall be limited to all losses sustained by the **Member** which arise out of the same purpose or cause. However no **Active Assailant Event** can extend beyond the expiration of this Endorsement unless there is direct physical loss or direct physical damage or **Bodily Injury** at or within six hundred and fifty (650) feet of an **Insured Location** as a result of an **Active Assailant Event** or unless the **Hostage Event** commences prior to expiration of this Endorsement, nor shall any **Active Assailant Event** or **Hostage Event** commence prior to the attachment of this Endorsement.

An **Active Assailant Event** or **Hostage Event** carried out by the same person or group of persons will be deemed to be one occurrence.

**Ordinary Payroll:**

The entire payroll expense for all **Employees** of the **Designated Member**.

**Period of Liability:**

The **Period of Liability** applying to all time element coverages is as follows:

1. For buildings and equipment, the period:
  - (a) Starting from the time of physical loss or damage to the type insured against; and
  - (b) Ending when, with due diligence and dispatch, the building and equipment could be:
    - (i) Repaired or replaced; and
    - (ii) Made ready for operations

Under the same or equivalent physical and operation conditions that existed prior to the damage.

- (a) Shall not to be limited by the expiration of this Endorsement.

2. For physically damaged exposed films, 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.
3. For **Bodily Injury**, the time required by the order of the authorities to remove the injured or dead from an **Insured Location** and conduct investigations required as a result of an **Active Assailant Event** or **Hostage Event**.

**Sentinel Program:**

A policy adopted by the **Designated Member** which allows **Employee(s)** to carry firearms at their **Insured Location(s)** for the purpose of rapidly responding to an **Active Assailant** or **Hostage Taker** at an **Insured Location**.

**Trust:**

The Florida Municipal Insurance Trust

**Coverage**

Some of the words used in this Endorsement have a special meaning. If a word is in **bold type**, please refer to the Definitions section of the Endorsement for the word's meaning.

**Section 1: Property Damage**

**Coverage:**

The **Trust** will indemnify the **Member** for physical loss or physical damage to real and personal property resulting from an **Active Assailant Event** or **Hostage Event**, in which the **Member** has an insurable interest, at an **Insured Location**, occurring during the **Endorsement Period** and directly caused by the actions of an **Active Assailant** during an **Active Assailant Event** or a **Hostage Taker** during a **Hostage Event**.

**Section 2: Time Element**

**Coverage:**

This Endorsement insures time element losses directly resulting from:

1. Physical loss or physical damage, as covered in Section 1: **Property Damage**. above; and/or
2. **Bodily Injury** to one (1) or more person(s) solely and directly caused by an **Active Assailant** during an **Active Assailant Event** occurring during the **Endorsement Period** and at or within six hundred and fifty (650) feet of an **Insured Location**; and/or
3. A **Hostage Event**, occurring during the **Endorsement Period** and at an **Insured Location**; and/or
4. Denial of access to an **Insured Location** as a result of an order by a civil or military authority due to an **Active Assailant Event** or **Hostage Event** occurring during the **Endorsement Period** and within one thousand five hundred (1,500) feet of an **Insured Location**.

### **Loss of Revenue**

Measurement of loss:

The recoverable loss of revenue will be the income loss sustained by the **Designated Member** during the **Period of Liability** which is calculated as follows:

1. The net income that would have been earned by the **Designated Member** had no **Active Assailant Event** or **Hostage Event** occurred and
2. The continuing normal operating expenses incurred, including **Ordinary Payroll**

### **Extra Expense**

Measurement of loss:

The recoverable extra expense loss will be the reasonable and necessary extra costs incurred by the **Designated Member** of the following during the **Period of Liability**:

1. Extra expenses to temporarily continue nearly as normal as practicable the conduct of the **Designated Member's** business; and
2. Extra costs of temporarily using property or facilities of the **Designated Member** or others, less any value remaining at the end of the **Period of Liability** for property obtained in connection with the above.

The term normal means the condition that would have existed had no:

- (a) Physical loss or physical damage occurred; or
- (b) **Bodily Injury** occurred.

### **Extended Period of Liability**

The Loss of Revenue coverage is extended to cover the income loss resulting from:

1. The interruption of business as covered by Loss of Revenue;
2. For such additional length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's business to the condition that would have existed had no loss occurred; and
3. Commencing with the date on which the liability of the **Trust** for loss resulting from interruption to business would terminate if this extension had not been included herein.

Coverage under this extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the **Extended Period of Liability**.

Coverage under this extension does not apply for more than the number of consecutive days specified in the Schedule.

### Section 3: Third Party Liability

Subject to the terms and conditions of this Endorsement, the coverage provided under Section 3: Third Party Liability of this Endorsement only covers **Claims** arising from an **Active Assailant Event** or **Hostage Event** occurring during the **Endorsement Period** and reported to the **Trust** during the **Endorsement Period** in writing as soon as reasonably possible and in no event later than ninety (90) days after the expiry of this Endorsement.

The sub-limit applicable to Section 3: Third Party Liability of this Endorsement, as specified in the Schedule, will be eroded by any valid **Damages** and **Claim Expenses** associated with any **Claim(s)**.

#### Coverage:

The **Trust** will pay on behalf of the **Member** any **Damages** and/ or **Claim Expenses** the **Member** is found legally liable to pay because of any **Claim(s)** for third party **Bodily Injury** and/ or property damage directly caused by an **Active Assailant Event** or **Hostage Event** that occurs at an **Insured Location** during the **Endorsement Period**.

The **Trust** shall have the right but not the duty to defend:

1. Any **Claim** against the **Member** which seeks **Damages**, even if any of the allegations of the **Claim** are groundless, false or fraudulent; or
2. Any **Claim** in the form of a regulatory proceeding.

Defense counsel shall be mutually agreed upon between the **Member** and the **Trust**. In the absence of such agreement, the **Trust's** decision shall be final.

The **Trust** will pay any **Claim Expenses** incurred provided the prior written consent of the **Trust** is obtained before those **Claim Expenses** are incurred. The limit of liability available to pay **Damages** under Section 3: Third Party Liability shall be reduced and may be completely exhausted by the payment of **Claim Expenses**.

If the **Member** refuses to consent to any settlement or compromise recommended by the **Trust** and acceptable to the claimant and elects to contest the **Claim**, the **Trust's** liability for any **Damages**, penalties and/ or **Claim Expenses** shall not exceed the amount for which the **Claim** could have been settled, less the deductible stated in the Schedule, plus the **Claim Expenses** incurred up to the time of such refusal or the applicable limit of liability, whichever is less, and the **Trust** shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Insured**.

### Section 4: Ancillary Support

#### Coverage:

This Endorsement provides coverage for the following additional expenses:

#### 1. Medical and Dental Expenses

Medical and dental expenses (other than counselling and/or psychiatric care costs) to mitigate the adverse effects of **Bodily Injury** sustained as a result of an **Active Assailant Event** or **Hostage Event** for any **Employee**, patron, student and/or patient of the **Designated Member** physically present at or within six hundred and fifty (650) feet of an **Insured Location**, except where otherwise

provided under any workers' compensation, employers' liability, unemployment compensation or disability laws, statutes or regulations.

Medical and dental expenses are limited to a maximum of USD 20,000 per person and applicable only to such costs incurred within thirty (30) days of an **Active Assailant Event** or **Hostage Event**.

## 2. Counselling Costs

**Counselling Costs** to mitigate the adverse effects of an **Active Assailant Event** or **Hostage Event** for any **Employee**, patron, student and/or patient of the **Designated Member** physically present at or within six hundred and fifty (650) feet of an **Insured Location**, except where otherwise provided under any workers' compensation, employers' liability, unemployment compensation or disability laws, statutes or regulations.

**Counselling Costs** are limited to a maximum of USD 10,000 per person for those physically present at an **Insured Location** and physically injured as a result of an **Active Assailant Event** or **Hostage Event** and USD 5,000 per person for those physically present at an **Insured Location** but not physically injured as a result of an **Active Assailant Event** or **Hostage Event**.

**Counselling Costs** must be incurred within twenty-four (24) months of an **Active Assailant Event** or **Hostage Event**.

## 3. Funeral Costs

**Funeral Costs** for persons killed as a result of an **Active Assailant** or **Hostage Event**.

**Funeral Costs** are limited to a maximum of USD 10,000 per person and USD 150,000 in the aggregate per **Active Assailant Event** or **Hostage Event**.

## 4. Crisis Management Service

Costs for a crisis management consultant retained by the **Trust** to assist the **Member** in responding to and managing the situation after an **Active Assailant Event** or **Hostage Event** at or within six hundred and fifty (650) feet of an **Insured Location**.

Crisis management costs are limited to a maximum of USD 100,000 per **Active Assailant Event** or **Hostage Event** and must be incurred within twelve (12) months of an **Active Assailant Event** or **Hostage Event**.

## 5. Employee Retraining Costs

Job retraining costs for **Employees** physically present and physically injured as a result of an **Active Assailant Event** or **Hostage Event** at or within six hundred and fifty (650) feet of an **Insured Location**.

Job retraining costs are limited to a maximum of USD 10,000 per person and applicable only to such costs incurred within one hundred and twenty (120) days of an **Active Assailant Event** or **Hostage Event**.

## 6. Replacement Employee Recruitment Costs

Recruitment costs to replace **Employees** physically present and physically injured as a result of an **Active Assailant Event** or **Hostage Event** at or within six hundred and fifty (650) feet of an **Insured Location** and consequentially unable to continue working as a result of their injuries. Recruitment costs are applicable only to such costs incurred within one hundred and twenty (120) days of an **Active Assailant Event** or **Hostage Event**.

## 7. Other Expenses

Any other costs incurred with prior written consent of the **Trust** to mitigate the adverse effects of an **Active Assailant Event** or **Hostage Event** at an **Insured Location**.

### General Exclusions:

The **Trust** will not indemnify the **Member** for the following losses occurring during the **Endorsement Period**:

1. Loss, damage, increased cost, **Bodily Injury, Damages** or **Claim Expenses**:
  - (a) occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising; or
  - (b) as a result of threat or hoax; or
  - (c) caused by or arising out of burglary, house – breaking, looting, theft, armed robbery and/or larceny; or
  - (d) caused by or arising out of domestic violence; or
  - (e) caused by or arising out of road rage; or
  - (f) caused by or arising out of gang related crime and/ or organized crime; or
  - (g) caused by or arising out of arson; or
  - (h) caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion; or
  - (i) caused by or arising out of electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses (which would otherwise be covered under this Endorsement) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile; or
  - (j) arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused; or
  - (k) directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment; or
  - (l) arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind; or

- (m) arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind; or
  - (n) occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder; or
  - (o) caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service; or
  - (p) directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
2. Any sexual misconduct, including without limitation, any physical acts, gestures, spoken or written words of a sexual nature, sexual molestation, sexual assault, sexual battery, sexual abuse, sexual harassment, or sexual exploitation
  3. Medical and dental expenses, **Counselling Costs**, or **Funeral Expenses** for an **Active Assailant** or **Hostage Taker**
  4. Any **Damages** or **Claim Expenses** arising out of **Claim(s)** for mental injury, anguish or shock where no **Bodily Injury** has occurred, except as covered under Section 4: Ancillary Support in the form of **Counselling Costs**
  5. Any **Damages** or **Claim Expenses** the **Member** is found legally liable to pay because of any **Claim(s)** for third party **Bodily Injury** and / or property damage caused by an **Employee** enrolled in a **Sentinel Program**
  6. Any cash and / or marketable securities, goods or services provided by way of ransom or other response to extortion or hostage demands
  7. Any punitive or exemplary **Damages**, sanctions or any additional damages resulting from the multiplication of compensatory damages which is incurred by the **Member** or which is imposed by any court, government agency, public or civil authority or any other person
  8. Any **Damages** or **Claim Expenses**, including but not limited to, Medical and dental expenses, **Counselling Costs** or **Funeral Expenses**, arising under employers' liability, workers' compensation, unemployment compensation, social security or disability laws, statute or regulations
  9. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working except as specifically provided by this insurance
  10. Any refunds or compensation or any costs relating to event rescheduling or relocation
  11. Any time element loss caused by an **Active Assailant Event** or **Hostage Event** at a facility supplying gas, electric, water or telephone facilities to an **Insured Location** unless caused by an event within six hundred and fifty (650) feet of an **Insured Location**
  12. Any loss, **Damages** or **Claim Expenses** arising out of loss of market or loss of attraction

13. 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
14. 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:
  - (a) Planned or rescheduled shutdown
  - (b) Strikes or other work stoppage
15. Any increase in loss due to:
  - (a) Suspension, cancellation or lapse of any lease, contract, license or orders
  - (b) For penalties of any nature

Property insured shall not include:

1. Land or land values
2. Power transmission, feeder lines or pipelines not located at an **Insured Location**
3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty (30) days, unless the property is intended to be unoccupied in its normal operations
4. Aircraft or any other aerial device, or watercraft
5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared to the **Trust** and is located at an **Insured Location** at the time of its damage
6. Electronic data
7. Animals, plants or living things of all types
8. Property in transit and not located at an **Insured Location**
9. Any property not owned by the **Designated Member**, or in which the **Designated Member** doesn't have an insurable interest, except as covered under Section 3: Third Party Liability.

## **Conditions**

General conditions applicable to this Endorsement

### **1. Abandonment**

There shall be no abandonment of any property to the **Trust**

### **2. Assignment**

Assignment or transfer of this Endorsement or any claim hereunder shall not be valid except with the prior written consent of the **Trust**

### 3. Burden of Proof

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Endorsement, the burden of proving that the loss is recoverable under this Endorsement and that no limitation or exclusion of this Endorsement applies and the quantum of loss shall fall upon the **Member**.

### 4. Required Notice

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

### 5. Requirements in Case of Loss

The **Member** will:

- (a) Immediately call the Security Exchange Emergency 24-hour Crisis Line to access Crisis Management Response Services: +1 312-500-5093.
- (b) Give immediate written notice to the **Trust** of any **Active Assailant Event** or **Hostage Event** likely to give rise to a claim hereunder.
- (c) The **Member** shall render a signed and sworn proof of loss within sixty (60) days after the **Active Assailant Event** or **Hostage Event** (unless such period be extended by the written agreement of the **Trust**) stating the time, place and cause of loss, with the exception of losses under Section 3: Third Party Liability of this Endorsement under which the **Member** shall render a signed and sworn proof of loss as soon as reasonably possible and in no event later than ninety (90) days of the expiration of the Endorsement.
- (d) Co-operate fully in the investigation or adjustment of any claim.
- (e) Take all reasonable steps to mitigate its losses, such as using alternative premises if possible and/or resuming normal business operations as soon as possible.

If the **Trust** has not received such proof of loss within two (2) years of the expiry date of this Endorsement, the **Trust** shall be discharged from all liability hereunder.

To notify us of an **Active Assailant Event** or **Hostage Event** likely to give rise to a claim under this Endorsement, please email all of the following email addresses and call the following numbers:

Markel: [TerrorismClaims@markelintl.com](mailto:TerrorismClaims@markelintl.com)

Crawfords: [claimsalert@us.crawco.com](mailto:claimsalert@us.crawco.com)

FMIT: [propclaims@flcities.com](mailto:propclaims@flcities.com)

FMIT: 855-364-8567

When notifying us of a claim, please provide a brief description of the event, along with **Member** Name, Address, Business and Location affected. Please also provide a contact person and their details.

## 6. Arbitration

If the **Member** and the **Trust** fail to agree in whole or in part regarding any aspect of this Endorsement, each party shall, within ten (10) days after a demand in writing by either party, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which the **Member** and the **Trust** shall so fail to agree and shall make an award thereon, and if they fail to agree, they will submit to their differences to the umpire and the award in writing of any two, duly verified, shall determine the same. The arbitration shall be run in accordance with the Rules of the American Arbitration Association.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

## 7. Due Diligence

The **Designated Member** (or any of the **Designated Member's** agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

The **Member** agrees to pursue any available recovery under any government compensation plan or other similar scheme for the benefit of the **Trust**. The **Member** shall allow the **Trust** and its representatives access to all necessary information, documentation and accounting data in respect of any such recovery.

## 8. Expert Fees

This Endorsement includes, within the **Aggregate Limit of Liability**, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the insured property following damage insured under this Endorsement.

## 9. False or Fraudulent Claims

If the **Member** shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Endorsement shall become void and all claims and benefit hereunder shall be forfeited.

## 10. Incorrect Declaration Penalty

If the declared values as stated in the Schedule are less than the correct insured values as determined in the Valuation condition, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the **Designated Member** shall co insure for the balance.

## 11. Inspection and Audit

The **Trust** or its agents shall be permitted but not obligated to inspect the **Designated Member's** property at any time.

Neither the **Trust's** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **Designated Member** or others, to determine or warrant that such property is safe.

The **Trust** may examine and audit the **Designated Member's** books and records at any time up to two years after the final termination of this Endorsement, as far as they relate to the subject matter of this Endorsement.

## 12. Legal Action Against The Trust

No one may bring a legal action against the **Trust** unless:

- (a) There has been full compliance by the **Member** with all of the terms of this Endorsement; and
- (b) The action is brought within two (2) years after the expiry or cancellation of this Endorsement

## 13. Limits of Liability and Excess

The **Trust** shall not be liable under this Endorsement for more than the **Aggregate Limit of Liability** as stated in the Schedule in the **Endorsement Period**. Nor shall the **Trust** be liable under this Endorsement for more than any of the sub-limits stated in the Schedule for the coverage provided under each section in respect of any one **Occurrence**.

Any payment by the **Trust** is subject to the Deductible and Waiting Period stated in the Schedule. During the waiting period, the **Trust** will not be liable to make any payment which they would otherwise be required to make under the provisions of this Endorsement.

## 14. Material Changes

The **Member** shall notify the **Trust** of any change of circumstances which would materially affect this Endorsement.

## 15. Misrepresentation

If the **Member** has concealed or misrepresented any material fact or circumstance relating to this insurance, this Endorsement shall become void. If the **Member** is unsure what constitutes material fact(s) or circumstance(s), they should consult the **Trust**, their broker or agent.

## 16. Primary Insurance

This Endorsement is primary without right of contribution from any other insurance outside of the Coverage Agreement which is carried by the **Designated Member**. The amount of the **Trust's** liability shall not be reduced by the existence of other insurance of the same risk. The **Trust** waives any claim for average or contribution in respect of any other insurer of the insured risks covered hereunder.

To the extent that the **Designated Member's** FMIT Property and Allied Lines Coverage Agreement or FMIT General/Professional Liability Coverage Agreement provide duplicate or overlapping coverage that applies to the risk insured by this Endorsement, the parties intend and agree that this Endorsement will apply to any loss, Damages or Claims Expenses on a primary basis before any other coverage provided for in the Coverage Agreement shall apply.

However, the order of coverage application herein does not apply to any workers' compensation or other form of wage replacement and/or medical benefit insurance, and if such insurance coverage is applicable it shall apply first or as directed by the **Trust**.

#### **17. Protection Maintenance**

It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this Endorsement and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the **Trust** without their consent. Failure to comply with this shall render the Endorsement void until the protection has been reinstated.

#### **18. Rights of Third Parties Exclusion**

This Endorsement and its insuring agreement are entered solely between the **Designated Member** and the **Trust**.

This Endorsement shall not confer any benefits on any third parties and no such third party may enforce any term of this Endorsement.

This clause shall not affect the rights of the **Designated Member**.

#### **19. Salvage**

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Endorsement shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

#### **20. Sanctions**

The **Trust** shall not be deemed to provide coverage and the **Trust** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose the **Trust** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

#### **21. Situation**

This Endorsement insures property located at the addresses stated in the Schedule.

#### **22. Subrogation**

Any release from liability entered into in writing by the **Member** prior to loss hereunder shall not affect this Endorsement or the right of the **Member** to recover hereunder. The right of subrogation against any of the **Member's** subsidiary or affiliated entities or any other entities associated with the **Member** through ownership or management is waived;

In the event of any payment under this Endorsement, the **Trust** shall be subrogated to the extent of such payment to all the **Member's** right of recovery therefor. The **Member** shall execute all papers required, shall cooperate with the **Trust** and, upon the **Trust's** request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The **Trust** will act in concert with all other interests concerned (including the **Member**) in the exercise of such rights of recovery. Subrogation recoveries, if any, shall be pursued and allocated as provided in the FMIT Coverage Agreement's Conditions of Coverage.

### 23. Valuation

In respect of property damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

- (a) The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
- (b) Until replacement has been effected the amount of liability under this Endorsement in respect of loss shall be limited to the **Actual Cash Value** at the time of loss;
- (c) If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Endorsement.

The **Trust's** liability for loss under this Endorsement shall not exceed the smallest of the following amounts:

- (a) The Endorsement limit applicable to the destroyed or damaged property,
- (b) The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,
- (c) The amount actually and necessarily expended in replacing said property or any part thereof.

The **Trust** will normally expect the **Member** to carry out repair or replacement of the insured property, but if the **Member** and the **Trust** agree that it is not practicable or reasonable to do this, the **Trust** will pay the **Member** an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The **Trust** will only pay the **Member** up to the **Aggregate Limit of Liability** shown in the Schedule.

### 24. Choice of Law

This Endorsement shall be subject to the laws of Florida.

## Schedule

Endorsement Period: October 1 to September 30 of the **Trust** Coverage Year stated in the FMIT Property and Allied Lines Coverage Agreement and Declarations to which this Endorsement is added.

Insured Locations: See FMIT Property Schedule

Declared Values: See FMIT Property Schedule

Property values: See FMIT Property Schedule

**Aggregate Limit of Liability:** USD 1,000,000 for the **Endorsement Period**

**Per Occurrence Limit of Liability** USD 1,000,000 (Included in Aggregate Limit of Liability)

All coverage section limits and sub-limits described below are part of the **Aggregate Limit of Liability** and not in addition to it.

**Section 1: Property Damage Limit of Liability:** (Included in Per Occurrence Limit of Liability)

Deductible: USD 2,500

Sub-limits:

**Debris Removal** Limit Per Occurrence: (Included in Per Occurrence Limit of Liability)

**Section 2: Time Element Limit:** (Included in Per Occurrence Limit of Liability)

Waiting Period: 12 Hours

**Extended Period of Liability:** 90 days

Sub-limits:

**Denial of Access:** (Included in Per Occurrence Limit of Liability)

Waiting period in respect of Denial of Access: 12 hours

**Section 3: Third Party Liability**

Retroactive Date: 10/01/2019

Limit of Liability: (Included in Per Occurrence Limit of Liability)

**The Limit of Liability under this Third Party Liability section includes Damages and Claim Expenses which erode the stated limit.**

Deductible: USD 10,000

**Section 4: Ancillary Support Services  
Limit of Liability:**

(Included in Per Occurrence Limit of Liability)

Sub-limits:

**Medical and Dental Expenses:** USD 20,000 per person

**Counselling Costs:** USD 10,000 per person for those physically present and affected by **Bodily Injury**

USD 5,000 per person for those physically present but not affected by **Bodily Injury**

**Crisis Management Response Service:** USD 100,000 any one **Occurrence (Included in Per Occurrence Limit of Liability)**

All coverage section limits and sub-limits are part of the **Aggregate Limit of Liability** and not in addition to it.

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

**FMIT PROPERTY TURNKEY RECOVERY SERVICE**

It is agreed the Designated Member's coverage provided by the Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

**I. COVERAGE**

In the event of loss or damage to covered property, and within the scope of loss or damage costs as adjudicated by the Trust, the Trust or its authorized agent may act on behalf of the Designated Member to provide complete management of the repair or replacement required for such covered property ("FMIT Turnkey Recovery Service" or "Service").

FMIT Turnkey Recovery Service is not a separate product, service or commodity requiring further procurement for its application to insured property loss or damage claims arising under the agreed terms of the property Coverage Agreement. The Service will be offered as a part of the Designated Member's property insurance Coverage Agreement to which this endorsement is attached, to assist with covered claims.

As part of the Service, the Trust or its authorized agent may directly pay project costs to material or supply vendors or required contracted labor service providers. Additionally, the Trust or its authorized agent may facilitate, administer and/or procure all construction trade labor, construction or repair-related services, supplies, materials or other requirements within the scope authorized by the Trust.

**II. CONDITIONS**

For all coverage hereunder, the Service must be authorized in writing by the Trust as part of a covered property claim. For each loss or damage claim, the Service will be provided at the voluntary election of the Designated Member. The Service is subject to the Designated Member's compliance with all coverage conditions, terms, limits, exclusions and deductibles or stop loss requirements provided under the property Coverage Agreement. As a requirement of the Service, the Designated Member agrees to follow all requirements and procedures as established or amended from time to time by the Trust.

## EXTRA EXPENSE COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section D. - **Definitions**.

### A. Coverage

We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations and for which an Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- a. The portion of the building which you rent, lease or occupy; and
- b. Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

#### 1. Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- a. Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- b. Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

#### 2. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

#### 3. Additional Limitation - Interruption Of Computer Operations

- a. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption Of Computer Operations.
- b. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### 4. Additional Coverages

##### a. Alterations And New Buildings

We will pay for the actual and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

##### b. Civil Authority

We will pay for the actual and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to three consecutive weeks from the date of that action.

##### c. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations includes Collapse as set forth in that form.

(c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption Of Computer Operations.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage - Interruption Of Computer Operations is \$2,500 for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.

(5) This Additional Coverage - Interruption Of Computer Operations does not apply to loss sustained after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

## 5. Coverage Extension

You may extend the insurance provided by this Coverage Part as follows:

### NEWLY ACQUIRED LOCATIONS

- a. You may extend your Extra Expense Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay for loss under this Extension is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
  - (1) This policy expires;
  - (2) 30 days expire after you acquire the property; or
  - (3) You notify us of how you want this coverage to apply to that location.

We will charge you additional premium from the date you acquire the property.

This Extension is additional insurance.

## B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limit applicable to the Coverage Extension is in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Alterations and New Buildings; or
2. Civil Authority.

## C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Appraisal

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

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties If You Incur Extra Expense

- a. You must see that the following are done if you incur Extra Expense:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (7) Cooperate with us in the investigation or settlement of the claim.
  - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 3. Limits On Loss Payment

We will not pay more for Extra Expense than the percentages shown in the Declarations times the Limit of Insurance.

When the "period of restoration" is:

- a. 30 days or less, the first percentage applies.
- b. 60 days or less, but more than 30 days, the second percentage applies.
- c. More than 60 days, the third percentage applies.

<b>Example:</b> The Limit of Insurance is	§ 100,000
The percentages shown in the Declarations are	40%-80%-100%
The "period of restoration" is	45 days
The amount of Extra Expenses incurred is	\$ 90,000

We will not pay more than \$100,000 times 80% (the percentage applicable for a "period of restoration" of 31-60 days), or \$80,000. The remaining \$10,000 is not covered.

### 4. Loss Determination

- a. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Extra Expense otherwise incurred.

- b. We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- c. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 5. Loss Payment

We will pay for any loss within 30 days after we receive the proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We reach agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Definitions

1. "Operations" means your business activities occurring at the described premises.
2. "Period of Restoration" means the period of time that:
  - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
4. "Suspension" means the slowdown or cessation of your business activities.

## BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - **Definitions**.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- a. Business Income including "Rental Value".
- b. Business Income other than "Rental Value".
- c. "Rental Value".

If option a. above is selected, the term Business Income will include "Rental Value". If option c. above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- a. The portion of the building which you rent, lease or occupy; and
- b. Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

#### 2. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

#### 3. Additional Limitation - Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption Of Computer Operations.
- b. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### 4. Additional Coverages

##### a. Expenses To Reduce Loss

In the event of a covered loss of Business Income, we will pay necessary expenses you incur, except the cost of extinguishing a fire, to avoid further loss of Business Income. The total of our payment for Business Income loss and Expenses to Reduce Loss will not be more than the Business Income loss that would have been payable under this Coverage Form (after application of any Coinsurance penalty) if the Expenses to Reduce Loss had not been incurred. This coverage does not increase the Limit of Insurance.

The Coinsurance condition does not apply specifically to such Expenses to Reduce Loss, but it is used as described above to determine the total amount payable.

##### b. Civil Authority

We will pay for the actual loss of Business Income you sustain caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage begins 72 hours after the time of that action, and will apply for a period of up to three consecutive weeks from the date on which the coverage begins.

##### c. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

##### d. Extended Business Income

###### (1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

###### (2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**e. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption Of Computer Operations.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage - Interruption Of Computer Operations is \$2,500 for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.
- (5) This Additional Coverage - Interruption in Computer Operations does not apply to loss sustained after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

**5. Coverage Extension**

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**NEWLY ACQUIRED LOCATIONS**

- a. You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay for loss under this Extension is \$100,000 at each location.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

## B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Alterations and New Buildings;
2. Civil Authority;
3. Extended Business Income;
4. Expenses to Reduce Loss.

## C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (7) Cooperate with us in the investigation or settlement of the claim.
  - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 3. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.

#### b. Resumption Of Operations

We will reduce the amount of your Business Income loss to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

c. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:
  - (1) The Net Income (Net Profit or Loss before income taxes), and
  - (2) Operating expenses, including payroll expenses, that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described premises by the figure determined in Step 1; and
3. Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3 or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight - outgoing;
2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;
6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;

10. Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
11. All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

**Example No. 1 (Underinsurance):**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$150,000

The amount of loss is \$ 80,000

Step 1:  $\$400,000 \times 50\% = \$200,000$  (the minimum amount of insurance to meet your Coinsurance requirements)

Step 2:  $\$150,000 \div \$200,000 = .75$

Step 3:  $\$ 80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

**Example No. 2 (Adequate Insurance):**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$200,000

The amount of loss is \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

**E. Optional Coverages**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

**1. Maximum Period Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income is the lesser of:
  - (1) The amount of loss sustained during the 120 days immediately following the beginning of the "period of restoration"; or
  - (2) The Limit of Insurance shown in the Declarations.

**2. Monthly Limit Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

**Example**

When: The Limit of Insurance is \$120,000

The fraction shown in the Declarations for this Optional Coverage is 1/4

The most we will pay for loss in each period of 30 consecutive days is:  
 $\$120,000 \times 1/4 = \$30,000$

If, in this example, the actual amount of loss is:

Days 1-30	\$40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$90,000

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

**3. Business Income Agreed Value**

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

- (a) During the 12 months prior to the date of the Work Sheet; and
  - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
- (a) The Coinsurance percentage shown in the Declarations; multiplied by
  - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
- (1) 12 months after the effective date of this Optional Coverage; or
  - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
- (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
- (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

**Example**

When:	The Limit of Insurance is	\$100,000
	The Agreed Value is	\$200,000
	The amount of loss is	\$80,000

Step (a):  $\$100,000 \div \$200,000 = .50$

Step (b):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

**4. Extended Period Of Indemnity**

Under Paragraph A.4.d., **Extended Business Income**, the number "30" in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

**F. Definitions**

1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

3. "Period of Restoration" means the period of time that:

- a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
  - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or required the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

**Miscellaneous Schedule of Inland Marine**

- 1. All Watercraft
- 2. Scheduled items over \$15,000
- 3. Unscheduled Inland Marine. Maximum limit is \$1,000,000 per Agreement period. Including:
  - a. Communication Equipment
  - b. Emergency Service Portable Equipment
  - c. Miscellaneous Inland Marine Equipment \$15,000 or less.
  - d. Non-Owned Inland Marine Equipment - Rented, Leased, Borrowed: Limit: \$50,000 annual aggregate.

#	Limit	Description	Deductible
1	\$29,675	2005 Vermeer Tree Chipper, serial #2253	\$500
2		Blanket Inland Marine	\$500

Note: Items valued greater than \$100,000:

\* Deductible is either the listed amount or 2% of the limit. (Whichever is greater)

## INLAND MARINE FLOATER

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

All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

### A. COVERAGE

Subject to all terms and conditions provided below, we will pay for direct physical loss of or damage only to Covered Property at locations contained in your Declarations (including the Real and Personal Property Schedule and Statement of Values) and for which a Limit of Insurance is shown, except those Causes of Loss listed in the Exclusions.

#### 1. Covered Property.

Covered Property as used in this Coverage Part, means the following types of property for which a limit is shown:

- a) Miscellaneous Equipment,
- b) Antiques and Objects of Art,
- c) Installation Floater.

#### 2. Property Not Covered.

- a) Property that you rent or lease to others;
- b) Property that is waterborne except scheduled watercraft and accessories;
- c) Property that is or will be a permanent part of a building or structure;
- d) Automobiles and other self-propelled vehicles that are designed for highway use;
- e) Aircraft;
- f) Contraband or property in the course of illegal transportation or trade;
- g) Accounts, bills, currency, deeds, money, notes, securities and evidences of debt;
- h) Blueprints, designs, plans or specifications;
- i) Animals;
- j) Permanent buildings;
- k) Shipments by mail.

of

### B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

- a) Earth Movement

Any earth movement (other than sinkhole collapse) such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting.

But this exclusion shall not apply to loss or damage by fire or explosion when

caused by Earth Movement.

b) Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread. The resulting loss or damage will be paid for if the fire would be covered under this Coverage Part.

c) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

We will pay for loss or damage caused by fire.

d) War and Military Action

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

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

- b)
- 1) Wear and tear;
  - 2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - 3) Smog;
  - 4) Settling, cracking, shrinking or expansion;
  - 5) Animals and vermin, including animals, birds and fish and vermin such as moths, mice and insects;
  - 6) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - 7) Dampness or dryness of atmosphere;
  - 8) Changes in or extremes of temperature;
  - 9) Marring, scratching, pitting, or other effects of normal use; or
  - 10) Erosion, dry rot, or mold.

- c) Explosion of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by you, or operated under your control.

We will pay for resulting loss or damage if loss or damage by fire or combustion

explosion results. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- d) Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives, or anyone to whom you entrust the property for any purpose; acting alone or in collusion with others; whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees. Theft by employees is not covered.

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- e) Rain, snow, ice or sleet to covered property in the open.
- f) Neglect. You must take all reasonable steps to protect your property when it is threatened with loss or damage. After a loss, you must also take all reasonable steps to protect your property from further loss or damage. If you fail to do so, we will not cover any loss that results from your "neglect."
- g) Property being worked on. We will not cover loss or damage to "personal property" that is being worked on, altered or repaired if the loss or damage is the direct result of the work that is being performed.
- h) Pollution and Contamination. We will not cover loss or damage caused by or resulting from the release, discharge or dispersal of "pollutants" unless the release, discharge or dispersal is itself caused by fire, lightning, windstorm or hail, "explosion", riot or civil commotion, vehicles or aircraft, vandalism and malicious mischief, "sprinkler leakage", water damage, freezing, collapse of a building, rain or snow, or falling objects.
- i) Glass breakage and surface damage. We will not cover breakage of glass or other fragile property or any loss or damage from chipping, marring, breaking, cracking or scratching. However, we will cover:
  - 1) Breakage of lenses or scientific instruments;
  - 2) Breakage or damage to cameras, musical instruments and stained glass; and
  - 3) Breaking, chipping, marring or scratching caused directly by fire, lightning, windstorm, "explosion," aircraft, strike, riot and civil commotion, vandalism or malicious mischief, "flooding," "theft" or attempted "theft," collapse of a building or other structure or an "accident" to a vehicle carrying the Covered Property.
- j) Antiques and Fine Arts. We will not cover any property which has been removed or on joint account with or belonging to others for which you may be liable in the event of loss or damage while on your premises, in transit or on exhibition.

- k) Mysterious Disappearance. We will not cover losses caused by or resulting from the mysterious disappearance of property or an inventory shortage.
- l) Property In the Open ("PITO") as defined in the Coverage Agreement.

### **C. LIMITS OF INSURANCE**

With respect to this Inland Marine Floater coverage part, the most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the schedule.

If the schedule shows a coverage limit for one item, the limit shown is agreed to be the value of the item and the most we will pay if the item is lost or totally destroyed.

We will also pay reasonable expenses you incur in removing the damaged Covered Property if debris removal is necessary after a "Covered Cause of Loss."

The most we will pay for debris removal is 25% of the amount we pay for direct loss or damage to Covered Property before the application of any deductible. And payment of debris removal will not increase the applicable coverage limit.

With respect to the limit of coverage described herein, the maximum loss payable for loss or damage to Covered Property will be determined by applying a Margin Clause percentage of 110% to the value of the Covered Property as shown in the Declarations (including the Real and Personal Property Schedule and Statement of Values).

Unless otherwise noted, loss adjustment valuation applicable to this this Inland Marine Floater coverage part shall be on the basis of actual cash value at the time and place of loss.

### **D. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance. The applicable Deductible shall be applied per occurrence.

### **E. ADDITIONAL CONDITIONS**

1. Newly Acquired Property. If you acquire any additional property of the kind already described in the Declarations for this Policy, we will automatically cover that property, excluding watercraft, for up to \$10,000.

We will cover the additional items for up to 30 days after you acquire them or until the policy ends, whichever is sooner.

You agree to notify us as soon as possible of the value of the additional items and pay an additional premium from the date you acquire them.

2. Policy Period, Coverage Territory. Under this Coverage Part:
  - a) We cover loss or damage commencing:
    - 1) During the policy period shown in the Declarations; and

- 2) Within the coverage territory.
- b) The coverage territory is:
- 1) The United States of America (including its territories and possessions);
  - 2) Puerto Rico; and
  - 3) Canada.

## F. DEFINITIONS

1. **Communications Equipment** – your stationary or portable communications equipment while at your covered location or away from your covered location during authorized use.
2. **Emergency Service Portable Equipment** – your portable firefighting, ambulance or rescue related equipment, excluding aircraft and watercraft, while at a covered location or away from a covered location during emergency use, or in transit to or from emergency situations.
3. **Installation Floater** – your building materials, meaning structural materials, fixtures, supplies and equipment the Member intends to install in connection with the repair, completion, erection or improvement of Member property.

Coverage on building materials includes the Member's interest in property which has been installed. However, coverage on structural materials in which the Member has an interest ends when the structural materials are installed and become a physical part of the realty. Structural materials mean structural steel, lumber, bricks and mortar, and other similar materials.

The most we will pay for a loss covered by this Installation Floater is \$100,000 in any single Trust coverage year including building materials at any one job site, in transit or at any other location.

Installation Floater loss adjustment valuation shall be on a replacement cost basis.

## G. COVERAGE EXTENSIONS

1. **Limited Contractor's Equipment Replacement Cost** – we will pay the Designated Member for an owned and scheduled piece of contractor's equipment that is involved in a covered total loss if the piece of contractor's equipment is no more than two years old and within the first 24 months of being scheduled at the time of the total loss.

Contractor's Equipment included in this Coverage Extension is limited to: backhoes, cranes, ditchers, dozers, excavators, forklifts, loaders and motor graders.

Maximum Amount Payable is \$250,000 in the aggregate for the Trust coverage year in which the loss(es) occur.

2. **Rental Reimbursement Coverage Contractor's Equipment**

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

This endorsement provides coverage for mobile "contractor's equipment" scheduled on the Miscellaneous Schedule of Inland Marine (FMIT IM SCH 1014). It applies only to covered "contractor's equipment" described and designated on the Schedule.

We will pay for rental reimbursement expenses incurred by you for the rental of "contractor's equipment" because of "loss" to covered "contractor's equipment". Payment applies in addition to the otherwise applicable amount of each coverage you have on covered "contractor's equipment". No deductibles apply to this coverage.

We will pay only for those expenses incurred during the Agreement period beginning 24 hours after the "loss" and ending, regardless of the Agreement's expiration, upon the expiration of the lesser of:

- a. Thirty (30) days.

or

- b. The number of days reasonably required to repair or replace the covered "contractor's equipment". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "contractor's equipment" and return it to you.

Our payment is limited to the lesser of the following amounts:

- a. Necessary and actual expenses incurred that relate directly to the "loss" of the covered "contractor's equipment";

or

- b. The maximum payment stated applicable to "any one day" or "any one period" for each occurrence.

This coverage does not apply while there is spare or reserve "contractor's equipment" available to you for use in your operations.

Definition: Mobile Contractor's Equipment is limited to: Backhoes, cranes, ditchers, dozers, excavators, forklifts, loaders and motor graders.

Maximum Amount Payable: \$250.00 per day per covered contractor's equipment per occurrence, or five thousand dollars (\$5,000.00) in the aggregate for the Fund year in which the loss(es) occur.

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

2. We will not pay you more than your financial interest in the Covered Property.

3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

**F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**G. Pair, Sets Or Parts**

**1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

**2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

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

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

**GENERAL CONDITIONS**

**A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

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

**C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

## ACCOUNTS RECEIVABLE COVERAGE FORM

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

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section E - Definitions.

### A. Coverage

#### 1. We will pay:

- a. All amounts due from your customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

#### 2. Property Not Covered

Coverage does not apply to:

- a. Records of accounts receivable in storage away from the "premises" shown in the Declarations; or
- b. Contraband, or property in the course of illegal transportation or trade.

#### 3. Covered Causes Of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE to your records of accounts receivable except those causes of loss listed in the Exclusions.

#### 4. Additional Coverage - Collapse

We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;
- b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs a. through e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

#### 5. Coverage Extension

##### REMOVAL

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- a. At a safe place away from your "premises"; or
- b. Being taken to and returned from that place.

This Coverage Extension is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

## B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

### a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

### b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

### c. War And Military Action

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

Exclusions B.1.a. through B.1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest or criminal act committed by:
  - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
  - (2) A manager or a member if you are a limited liability company;
  - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

c. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

d. Bookkeeping, accounting or billing errors or omissions.

e. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts;
- (3) An occurrence that took place more than 100 feet from your "premises"; or
- (4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".

But we will pay for direct loss or damage caused by lightning.

f. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

g. Unauthorized instructions to transfer property to any person or to any place.

h. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

4. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather Conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
    - of part or all of any property wherever located.
- d. Collapse except as provided in the Additional Coverage - Collapse Section of this Coverage Form.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

**D. Additional Conditions**

**1. Determination Of Receivables**

General Condition F. **Valuation** in the Commercial Inland Marine Conditions is replaced by the following:

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
  - (1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
  - (1) The amount of the accounts for which there is no loss or damage;
  - (2) The amount of the accounts that you are able to re-establish or collect;
  - (3) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (4) All unearned interest and service charges.

**2. Recoveries**

The following is added to Loss Condition H. **Recovered Property** in the Commercial Inland Marine Conditions:

You will pay us the amount of all recoveries you receive for loss or damage paid by us. But any recoveries in excess of the amount we have paid belong to you.

**3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:**

**a. Coverage Territory**

We cover records of accounts receivable:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
  - (a) The United States of America (including its territories and possessions);
  - (b) Puerto Rico; and
  - (c) Canada.

**b. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

We will not pay the full amount of any loss if the value of all accounts receivable, except those in transit, at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for Coverage Applicable at All Locations.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of all accounts receivable, except those in transit, at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance for Coverage Applicable at All Locations by the figure determined in Step (1); and
- (3) Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

This condition will not apply to records of accounts receivable in transit, interest charges, excess collection expenses or expenses to re-establish your records of accounts receivable.

**c. Protection Of Records**

Whenever you are not open for business, and except while you are actually using the records, you must keep all records of accounts receivable in receptacles that are described in the Declarations.

**E. Definitions**

"Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

## VALUABLE PAPERS AND RECORDS COVERAGE FORM

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

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - Definitions.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means "valuable papers and records" that are your property or property of others in your care, custody or control.

#### 2. Property Not Covered

Covered Property does not include:

- a. Property not specifically declared and described in the Declarations if such property cannot be replaced with other property of like kind and quality;
- b. Property held as samples or for delivery after sale;
- c. Property in storage away from the "premises" shown in the Declarations; or
- d. Contraband, or property in the course of illegal transportation or trade.

#### 3. Covered Causes Of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE to Covered Property except those causes of loss listed in the Exclusions.

#### 4. Additional Coverage - Collapse

We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;
- b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs a. through e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

### 5. Coverage Extensions

#### a. Removal

If you give us written notice within 10 days of removal of your "valuable papers and records" because of imminent danger of loss or damage, we will pay for loss or damage while it is:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the Limits of Insurance applicable to the "premises" from which the Covered Property is removed.

**b. Away From Your Premises**

We will pay up to \$5,000 for loss or damage to Covered Property while it is away from your "premises".

But if a higher Limit of Insurance is specified in the Declarations, the higher limit will apply.

The limit for this Coverage Extension is additional insurance.

**B. Exclusions**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**a. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

**b. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

**c. War And Military Action**

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

Exclusions B.1.a. through B.1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.

**b. Dishonest or criminal act committed by:**

- (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company;
- (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c. Errors or omissions in processing or copying.

But if errors or omissions in processing or copying result in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct loss or damage caused by lightning.

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- f. Unauthorized instructions to transfer property to any person or to any place.
- g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather Conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
    - of part or all of any property wherever located.
- d. Collapse except as provided in the Additional Coverage - Collapse Section of this Coverage Form.
- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

**D. Deductible**

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

**E. Additional Conditions**

**1. Valuation - Specifically Declared Items**

The following is added to General Condition F. **Valuation** in the Commercial Inland Marine Conditions:

The value of each item of property that is specifically declared and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.

**2. Recoveries**

The following is added to Loss Condition H. **Recovered Property** in the Commercial Inland Marine Conditions:

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. If so, your loss or damage will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

- 3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**a. Coverage Territory**

We cover property:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
  - (a) The United States of America (including its territories and possessions);
  - (b) Puerto Rico; and
  - (c) Canada.

**b. Protection Of Records**

Whenever you are not open for business, and except while you are actually using the property, you must keep all "valuable papers and records" in receptacles that are described in the Declarations.

**F. Definitions**

- 1. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.
 

But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.
- 2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.
- 3. "Money" means:
  - a. Currency, coins and bank notes whether or not in current use; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
- 4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps whether or not in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;

but does not include "money".

## GOVERNMENT CRIME COVERAGE FORM (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.j. or E.1.k., 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.f.:

#### 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.
- 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 insurance 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 insurance 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.

**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 insurance 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 insurance.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**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 Similar 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.

**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.

**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 of 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

The following Conditions apply in addition to the Common Policy Conditions:

### 1. Conditions Applicable To All Insuring Agreements

#### a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", such "premises" and "employees" shall automatically be covered under this insurance. 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. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

#### c. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

#### d. 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:

- (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.

#### e. 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.

#### f. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, 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 insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

#### g. 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 insurance. 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 insurance, 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 insurance 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.

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 insurance, 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.

#### **h. 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 insurance;
- (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.

#### **i. Liberalization**

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

#### **j. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**

##### **(1) Loss Sustained Partly During This Insurance 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 insurance 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 insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance 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 insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, 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 insurance, 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.j.:

**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.
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.

#### **k. 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 insurance, provided:
  - (a) This insurance became effective at the time of cancellation of the prior insurance; and

- (b) The loss would have been covered under this insurance 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 insurance 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 cancelled insurance.
  - (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.j., the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition E.1.j.
    - (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 insurance and is limited to the lesser of the amount recoverable under:
      - (i) This insurance as of its effective date; or
      - (ii) The prior cancelled insurance had it remained in effect.

#### **I. Other Insurance**

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

##### **(1) Primary Insurance**

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, 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 insurance.

**(2) Excess Insurance**

(a) When this insurance 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 insurance.

(b) However, if loss covered under this insurance 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.

**m. Ownership Of Property; Interests Covered**

The property covered under this insurance 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 insurance 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 insurance must be presented by you.

**n. Records**

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

**o. Recoveries**

(1) Any recoveries, whether effected before or after any payment under this insurance, 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 insurance;

(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 insurance.

(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.

**p. Territory**

This insurance 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.

**q. 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.

**r. 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 r.(1)(c)(i) through r.(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.p. 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.p. 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.

**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.p. 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 insurance 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 insurance.

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 workload 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(s); 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".
- 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 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.j. or E.1.k.
  - 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.j. or E.1.k.
  - 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.j. or E.1.k.
  - 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.j. or E.1.k.

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 insurance.
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 institutions 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.

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

It is noted and agreed Government Crime Coverage Form, CR 00 25 05 06, is amended to the following extent:

Exclusion D.2.d. regarding loss caused by any treasurer or tax collector by whatever name known is deleted.

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

## **INCLUDE VOLUNTEER WORKERS AS EMPLOYEES**

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  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

The definition of "employee" is amended to include any noncompensated natural person:

1. Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee"; or
2. While acting as a fund solicitor during fundraising campaigns.

**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	\$ 500,000
Employee Theft - Per Employee Coverage	\$ N/A
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 (l) 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 Theft Insuring Agreement, as amended by this endorsement.

**FLORIDA MUNICIPAL INSURANCE TRUST  
GENERAL/PROFESSIONAL LIABILITY COVERAGE AGREEMENT  
DECLARATIONS**

**I. DESIGNATED MEMBER**  
Village of Palmetto Bay

**Agreement No.:** FMIT #1028

**II. GOVERNMENT DESCRIPTION**  
Municipality

**III. COVERAGE PERIOD**  
From October 1, 2019 to October 1, 2020 12:01 A.M. Standard Time at the address of the Designated Member.

	Premium Basis	Deductible/Type	Limit	Net Premium
<b>IV. General/Professional Liability</b>		\$0	\$5,000,000	\$125,308
Payroll:	4,771,490			
1. General Liability				
a. Broad Form Property Damage		\$0	Per Form	Included
b. Extra Contractual Legal Expense		N/A	\$25,000	Included
c. Fire Legal Liability		\$0	\$500,000	Included
d. Medical Attendants'/Medical Directors' Malpractice Liability		\$0	\$5,000,000	Included
2. Errors and Omissions Liability		\$0	\$5,000,000	Included
a. Employment Practices Liability		\$0	\$5,000,000	Included
b. Employee Benefits Program Administration Liability		\$0	\$5,000,000	Included
<b>V. Breach Response &amp; Cyber Liability</b>				
<b>Coverage Type:</b> Claims-made and reported coverage per FMIT CYBER insuring agreement.				
<b>Retroactive Period:</b> Full prior acts coverage, except as noted in FMIT CYBER insuring agreement.				

**Breach Response Services Limit:**

**Cyber Liability Limit:**

First Party Loss

Third Party Loss

eCrime

Criminal Reward

	Per-claim retention Equal to General/Professional Liability per-occurrence deductible in IV. above or the per-occurrence retention noted in Supplemental Declarations, whichever is less	\$1,000,000 Per occurrence and aggregate limit, in addition to Cyber Liability Limit	
	Per-claim retention equal to General /Professional Liability per-occurrence deductible in IV. above or the per-occurrence retention noted in FMIT CYBER Endorsement Supplemental Declarations, whichever is less	\$1,000,000 Per-occurrence and aggregate limit	
	\$0	\$5,000 each loss	
	(See FMIT CYBER Endorsement Supplemental Declarations for all retentions)	(See FMIT CYBER Endorsement Supplemental Declarations for all coverage types, limits and sub-limits)	

VI. This agreement includes these endorsements and schedules: See Schedule A

**VII. ESTIMATED ANNUAL PREMIUM**

Florida Municipal Insurance Trust (FMIT)

Normal Premium	Incentive Credit	Net Premium
\$147,427	\$(22,119)	\$125,308

**Florida League of Cities Sponsored Insurance Programs Since 1977**

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

**FMIT GENERAL/PROFESSIONAL LIABILITY COVERAGES**  
**October 1, 2019 - October 1, 2020 Schedule Coverage Forms List**

FMIT #1028

**Schedule A**

Form #	Description
<b>General Liability Common</b>	
FMIT COND 1019	Conditions of Coverage
FMIT CA 1019	Coverage Agreement
<b>General Liability</b>	
FMIT BFPD 1018	Broad Form Property Damage Endorsement
FMIT ECLE 1016	Extra Contractual Legal Expense Endorsement
FMIT FLL 1012	Fire Legal Liability Endorsement
FMIT MA 1018	Medical Attendants' / Medical Directors' Malpractice Liability Endorsement
FMIT EO 1019	Errors and Omissions Liability Endorsement
FMIT EBL 1019	Employee Benefit Program Admin. Errors and Omissions Liability
FMIT IC BH A 1016	Inverse Condemnation and Bert J. Harris Jr. Private Property Rights Protection Act
FMIT SE GL 1012	Specific Excess Endorsement - General Liability
FMIT CYBER 1019	Breach Response & Cyber Liability Endorsement
FMIT CIE 1011	Crisis Intervention Expense Endorsement
FMIT SBU 1019	Sewerline Backup and Initial Cleanup Expense

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

**BROAD FORM PROPERTY DAMAGE ENDORSEMENT**

**I. COVERAGE**

The Coverage Agreement is amended to include the following additional coverage:

Coverage is provided for Property Damage to property owned by a person or entity other than the Designated Member, if any one of the following also applies to such property:

- A. Damaged while occupied by, used by, or rented to the Member;
- C. Damaged while the Member is exercising direct physical control of the property, while loaned to the Member or otherwise in the care, custody and control of the Member; or
- D. Damaged due to work performed upon it by the employees of the Designated Member, or damaged as a result of materials, parts or equipment furnished by the Designated Member for such work performed.

**II. EXCLUSIONS**

Exclusion M of the Coverage Agreement is amended to provide as follows:

- M. to property damage to property owned or occupied by, leased or rented to, a Member; however, for purposes of this endorsement, this exclusion shall not apply to any property owned by a person or entity other than the Designated Member;

**III. LIMIT OF LIABILITY**

Regardless of the number of Claims, Suits or items property items involved, the most the Trust will pay for loss under this coverage is \$500,000 in aggregate per Trust coverage year.

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

**LEGAL FEE REIMBURSEMENT  
ADMINISTRATIVE PROCEEDINGS**

- I. The **Coverage Agreement** is amended to include the following additional coverages:
- A. The Trust will reimburse the Designated Member fifty percent (50%) of the Legal Fees it paid an Attorney, up to a maximum of twenty-five thousand dollars (\$25,000) per Covered Action and subject to an aggregate limit of one hundred thousand dollars (\$100,000) per Trust coverage year. This coverage is available only when such Legal Fees are incurred by the Designated Member's Public Officer(s) and paid by the Designated Member for legal representation in a Covered Action that alleged wrongdoing of the Public Officer(s) and is subject to the following conditions:
1. Coverage for the Covered Action does not arise elsewhere in the Agreement nor is it excluded by any provisions of the Agreement;
  2. The Public Officer's conduct that gave rise to the Covered Action occurred while he or she was lawfully acting in his or her Official Capacity;
  3. Coverage is specifically excluded for any Covered Action occurring outside the effective dates of this endorsement;
  4. This coverage shall exclude reimbursement for any fines or penalties against the Public Officer resulting from a Covered Action. Additionally, the Trust will not reimburse the Designated Member's Legal Fees if the Public Officer is found to have breached the public trust, is otherwise found to have committed the violations alleged in the Covered Action or voluntarily enters a negotiated settlement with the governing administrative tribunal under which the Public Officer is sanctioned in any form for wrongdoing; and
  5. The Designated Member provides the Trust such documentation as is reasonably required to substantiate the Legal Fees incurred by the Public Officer and paid by the Designated Member.
- II. The **Definitions Section** of the Agreement is amended to include the following additional definitions which shall apply exclusively to this endorsement:

"Attorney" means a person admitted by the Supreme Court of Florida to practice law in Florida and who is a Member in good standing of The Florida Bar. "Attorney" excludes the City Attorney or any other in-house or contract attorney used ordinarily by the Designated Member as general counsel to its operations.

"Covered Action" means an administrative proceeding before the Florida Public Employees Relation Commission, the State of Florida Commission on Human Relations, the Federal Equal Employment Opportunity Commission, any Ethics Proceeding before the State of Florida Commission on Ethics or an ethics proceeding before any local ethics commission created by charter or ordinance which has jurisdiction over the alleged misconduct. Covered Action shall include related appeals arising from any of the underlying administrative proceedings described herein.

"Ethics Proceeding" means any proceeding designed to dispose of an ethics complaint initiated in the State of Florida Commission on Ethics or initiated in any local ethics commission created by charter or ordinance, alleging a Public Officer or group of Public Officers committed a breach of public trust, but excluding any portion of such proceeding prior to the issuance of an initial Determination of Investigative Jurisdiction and Order to Investigate by the Florida Commission on Ethics or the equivalent thereof by a local ethics commission.

"Legal Fees" means the reasonable and related fees and costs charged to a Public Officer for representation in a Covered Action by an Attorney engaged in the practice of law.

"Official Capacity" means the capacity of a Public Officer while lawfully acting for or on behalf of the Designated Member, or while lawfully acting in aid of the duties or functions which come within the scope of the Public Officer's office or governmental employment.

"Public Officer" means any officer or employee of the Designated Member that satisfies the definition of "local officer" under §112.3145(1)(a), Florida Statutes, including but not limited to: anyone elected to any political subdivision of Florida or appointed to fill an elected office vacancy; any appointed Member of any boards, councils, commissions, authorities, or other bodies of any county, municipal, school district, independent special district or other political subdivision of Florida; Members of expressway and transportation authority boards; code enforcement boards; boards with power to create or modify land planning or zoning requirements within a political subdivision (excluding citizen advisory committees, technical coordinating committees, and such other planning and zoning groups who only have the power to make recommendations to planning or zoning boards); pension boards; any local board that has a self-imposed requirement to file full or limited public disclosure of financial interests; a mayor; a city manager or other chief administrative officer of a city, officers and officials of companies that contractually serve as chief city administrators of a city; a city attorney; a chief building inspector; an environmental or pollution control director; an administrator with power to grant or deny a land development permit; a city clerk; and a purchasing agent with authority to make purchases in excess of \$20,000.

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

**FIRE LEGAL LIABILITY ENDORSEMENT**

**FIRE LEGAL LIABILITY – REAL PROPERTY**

The Trust will pay for property damage to buildings, or parts thereof, which you rent from another, or which are loaned to you, if the property damage is caused by fire for which you are legally liable. Buildings include fixtures permanently attached thereto.

All of the exclusions otherwise applicable to property damage do not apply to this coverage. However, the Trust does not cover:

1. liability arising under any contract or agreement to indemnify any person or organization for damage by fire to the premises; or
2. liability arising out of property damage:
  - a. which is expected by, directed by, or intended by the insured; or
  - b. that is the result of intentional or malicious acts of the insured.
3. the limit of property damage liability as respects this Fire Legal Liability Coverage – Real Property is \$500,000 each occurrence unless otherwise stated in the schedule of this endorsement.
4. The Fire Legal Liability Coverage – Real Property shall be excess over any valid and collectible property insurance (including any deductible portion thereof), available to the Member, such as, but not limit to, Fire, Extended Coverage, Builders' Risk Coverage or Installation Risk Coverage, and the "Other Insurance" Condition of the Agreement is amended accordingly.

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

**MEDICAL ATTENDANTS/MEDICAL DIRECTORS MALPRACTICE LIABILITY ENDORSEMENT**

I. COVERAGE

The **Coverage Agreement** is amended to include the following additional coverage:

It is agreed that the Trust will pay on behalf of the Member all sums which the Member becomes legally obligated to pay as damages because of injury to any person arising out of the rendering or failure to render, during the period of this Agreement, professional services by one of the Designated Member's emergency medical technicians or paramedics (collectively, "Medical Attendants") or Medical Director designated pursuant to Section 401.265, Florida Statutes.

II. EXCLUSIONS

A. For purposes of this Endorsement, **Exclusion T** shall not apply to Medical Directors and/or Medical Attendants, as provided above.

B. This coverage does not apply to:

1. Any dishonest, fraudulent, criminal or malicious act or omissions of the Member, any partner or employee, any intentional misconduct or intentional act;
2. Liability of the Designated Member as an employer of others or as the proprietor, superintendent or executive officer of any hospital, sanitarium, clinic with bed and board facilities, or other business enterprise;
3. To professional services rendered by physicians and/or nurses; however, this exclusion does not apply to a Medical Director designated pursuant to Section 401.265, Florida Statutes, when said Director is acting within the scope and in furtherance of the duties of the Medical Director as outlined in Section 401.265, Florida Statutes.
4. To any Bodily Injury Liability, Property Damage Liability, Personal Injury Liability, Advertising Injury Liability, Products Liability and Completed Operations Hazard arising directly or indirectly out of
  - a. Any actual or alleged failure, malfunction or inadequacy due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond by:
    - (1) Any of the following, whether belonging to any insured or to others: (a) Computer application software; (b) Computer networks; (c) Microprocessors (computer chips) not part of any computer system; (d) Computer operating systems and related software; (e) Computer hardware, including microprocessors; or (f) Any other computerized or electronic equipment or components; or
    - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in the preceding paragraph.
  - b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in paragraph a. above.

**THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY**  
**PUBLIC OFFICIALS ERRORS AND OMISSIONS AND EMPLOYMENT PRACTICES LIABILITY**  
**ENDORSEMENT**

It is agreed the Designated Member's coverage provided by Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

This endorsement issued by the Trust extends and modifies the provisions of the Agreement relating to coverage for Public Officials Errors and Omissions liability and Employment Practices Liability and it is agreed that as of the effective date hereof, the Coverage Agreement is amended in the following particulars:

**I. COVERAGE**

The COVERAGE Section of the Coverage Agreement is amended to provide the Trust will pay all sums which a Member becomes legally obligated to pay as Damages because of:

Errors and Omissions  
Employment Practices Liability or  
Civil Rights Liability

Claims if caused by an Occurrence which takes place during the coverage period of this Coverage Agreement.

For purposes of this endorsement, Employment Practices Liability coverage includes defense and settlement of Claims arising before the State of Florida Commission on Human Relations or the Federal Equal Employment Opportunity Commission. Further, this endorsement shall be the sole source of Employment Practices Liability coverage owed by the Trust in the event any Claim, Suit or Occurrence includes allegations that trigger simultaneous coverage under this endorsement and any other Coverage Agreement provision, the parties' intent being to avoid coverage that duplicates or exceeds the coverage provided herein.

**II. DEFINITIONS**

The DEFINITIONS Section of the Coverage Agreement is amended to include the following additional definitions which shall apply exclusively to this endorsement.

A. Member, for purposes of coverage under this endorsement shall not include any of the following individuals, boards, commissions, authorities, units or administrative departments or agencies of:

1. Schools
2. Airports
3. Hospitals

- B. Official Capacity means the capacity of a Member while lawfully acting for or on behalf of the Designated Member, or while lawfully acting in aid of the duties or functions which come within the scope of the Member's employment by the Designated Member.
- C. Civil Rights Liability means a Claim or Suit seeking Damages for alleged violation of individual civil rights pursuant to one or more of the following federal statutes:
  - United States Code, Title 42, Section 1982
  - United States Code, Title 42, Section 1983
  - United States Code, Title 42, Section 1985
  - United States Code, Title 42, Section 1986
  - United States Code, Title 42, Section 12112 (ADA)
  - United States Code, Title 29, Section 2601, et. seq. (FMLA)
  - Civil Rights Act of 1991

### III. **EXCLUSIONS**

The EXCLUSIONS Section of the Coverage Agreement is amended as follows for this endorsement:

- A. Exclusion L of the Coverage Agreement is amended to read:
  - L. to bodily injury to any employee of the Designated Member arising out of and in the course of employment by the Designated Member or to any obligation of a Member to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the Designated Member under an Incidental Contract.
- B. Exclusion BB of the Coverage Agreement is deleted.
- C. The following additional exclusions are included for purposes of this endorsement:
  - 1. based upon or attributable to any Member gaining any profit or advantage to which such Member was not legally entitled, including any remuneration paid in violation of law as determined by the courts;
  - 2. brought about or contributed to by any alleged criminal, fraudulent, malicious or dishonest acts by any Member.

However, notwithstanding the foregoing, a Member shall be entitled to coverage for the costs of legal defense only under the terms of this Agreement if: any Suit asserts Errors and Omissions, Employment Practices Liability or Civil Rights Liability Claims covered by this endorsement; such Claims allege fraudulent, malicious or dishonest acts on the part of such Member; and a final judgment or other final adjudication rendered in such Suit holds that deliberate criminal, fraudulent, malicious or dishonest acts by such Member were material to the Claims asserted in the Suit.

3. any (a) liability arising out of estimates of probable costs or cost estimates being exceeded, faulty preparation of bid specifications or plans, or (b) injury to, destruction or disappearance of, any tangible property (including money) or the loss of use thereof;
4. any Claim or Suit seeking relief or redress in any form other than money Damages and any costs, fees, expenses or attorneys' fees relating to such claims;
5. any obligation for which a Member becomes obligated to pay future wages as a result of any alleged wrongful Employment Practices Liability or Employee Benefit Program liability.
6. any Bodily Injury Liability, Property Damage Liability, Personal Injury Liability, Advertising Injury Liability, Products Liability and Completed Operations Hazard arising directly or indirectly out of:
  - a. any actual or alleged failure, malfunction or inadequacy due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond by:
    - (1) any of the following, whether belonging to any Member or to others: (a) Computer application software; (b) Computer networks; (c) Microprocessors (computer chips) not part of any computer system; (d) Computer operating systems and related software; (e) Computer hardware, including microprocessors; or (f) Any other computerized or electronic equipment or components; or
    - (2) any other products, services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in the preceding paragraph.
  - b. any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in paragraph a. above.
7. any liability for fines, punitive or exemplary damages; or any non-compensatory damages or penalties imposed pursuant to any federal or state anti-trust, civil rights, anti-discrimination, or racketeer influence and corrupt organization (RICO) laws;
8. any Claim requesting return or reimbursement of a special assessment, tax, service charge, fine or fee or any other payment or overpayment to the Designated Member or Member;
9. Any Claim, Suit or liability: arising from the management or funding of any individual or group pension plan or pension fund or any individual or group retirement savings plan or retirement savings account, whether or not administered by the Member; or arising from any amount or loss paid, payable or owed to a participant, a participant account, a participant's beneficiary or any other person or entity; arising from any loss for which fiduciary liability is alleged or imposed against the Member, whether based on the Employee Retirement Income Security Act of 1974, as amended, or any similar state, federal or local law; arising from Employee Benefit Program Administration Errors and Omissions; or arising from any failure to properly procure any insurance coverage, type or amount.

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

**EMPLOYEE BENEFIT PROGRAM ADMINISTRATION ERRORS AND OMISSIONS  
LIABILITY ENDORSEMENT**

It is agreed the Designated Member's coverage provided by Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

The endorsement issued by the Trust extends and modifies the provision of the Agreement relating to coverage for Employee Benefit Program Errors and Omissions as set forth below and it is agreed that as of the effective date hereof, the Coverage Agreement is amended in the following particulars:

**I. COVERAGE**

The COVERAGE Section of the Coverage Agreement is amended to provide the Trust will pay all sums which a Member becomes legally obligated to pay as Damages because of:

Employee Benefit Program Administration Errors and Omissions

Claims to which this Coverage Agreement applies if caused by an Occurrence which takes place during the coverage period of this Coverage Agreement.

**II. DEFINITIONS**

The DEFINITIONS Section of the Coverage Agreement is amended to include the following additional definitions which shall apply exclusively to this endorsement:

- A. Member, as used in this endorsement, means only the Designated Member and individuals serving on its boards or commissions for the purpose of administering any "Employee Benefit Program," acting within the scope of their authority by or on behalf of the Designated Member, except as excluded herein.
- B. Employee Benefit Program Administration Errors and Omissions, as used in this endorsement, means any error or omission, misstatement, neglect or breach of duty by the Member while lawfully acting in their official capacity or scope of employment and in the course of administering the Employee Benefit Program, for which a Claim alleging Member liability for Damages is made based on any of the following acts:
  - 1. Giving counsel to employees, dependents and beneficiaries with respect to any "Employee Benefit Programs";
  - 2. Interpreting any "Employee Benefit Program";
  - 3. Handling of records in connection with any "Employee Benefit Program"; or
  - 4. Effecting enrollment, termination or cancellation of employees under the "Employee Benefit Program,"

provided all such acts are authorized by the "Designated Member."

III. **EXCLUSIONS**

The EXCLUSIONS Section of the Coverage Agreement is amended as follows for this endorsement:

- A. Exclusion **GG** is deleted.
- B. The following additional exclusions are included for purposes of this endorsement:

This endorsement does not apply to Claims or liability arising out of the following:

1. As a result of dishonest, intentionally fraudulent, criminal or malicious acts or omissions of any Member, however, this exclusion shall not apply to any Member who did not:
  - a) Personally participate in committing any such act or omission; or
  - b) Remain passive after having personal knowledge of any such act or omission.
2. As a result of a violation of any Workers' Compensation, Unemployment Insurance, Social Security or Disability Benefits law or administrative interpretation of such laws.
3. As a result of the failure to provide benefits because said benefits are not properly funded.
4. As a result of advice given to any employee to participate or not to participate in any Stock Subscription, Individual Retirement Account, or Salary Reduction Plan.
5. As a result of the investment or non-investment of employee benefit funds.
6. As a result of the failure of any investment to perform as predicted or expected by a Member.
7. As a result of the termination or failure of any Employee Benefit Program or plan.
8. As a result of fines, taxes or penalties imposed by law or other matters for which coverage may not be available under law.
9. Any Bodily Injury Liability, Property Damage Liability, Personal Injury Liability, Advertising Injury Liability, Products Liability and Completed Operations Hazard arising directly or indirectly out of
  - a. Any actual or alleged failure, malfunction or inadequacy due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond by:
    - (1) any of the following, whether belonging to any Member or to others: (a) Computer application software; (b) Computer networks; (c) Microprocessors (computer chips) not part of any computer system; (d) Computer operating systems and related software; (e) Computer hardware, including microprocessors; or (f) Any other computerized or electronic equipment or components; or
    - (2) any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in the preceding paragraph.
  - b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in paragraph a. above.
10. Any activity, act or omission of a third-party administrator, a firm or person, other than an employee of the Designated Member, who administers the Designated Member's Employee Benefit Program.

11. Any Claim for benefits that are lawfully paid or payable to a claimant from funds accrued or available within the Employee Benefit Program or from other collectible insurance, notwithstanding the Member's act, error or omission in administering the Employee Benefit Program which precluded the claimant from receiving such benefits.
12. Any Claim that results from not having adequate insurance or bonds to protect the assets of an "Employee Benefit Program".
13. Based upon changes in the ultimate cost or level of any benefit program available to any employee of the Designated Member or changes made to any benefit program resulting from efforts of the Designated Member to comply with any tax laws or other laws which result in changes to the benefits available to any Employee of the Designated Member.
14. Any Claim, Suit or liability for: Bodily Injury, Property Damage, Personal Injury; Advertising Injury; Employment Practices Liability, Civil Rights Liability; or Law Enforcement Liability.
15. Any Claim, Suit or liability arising from the management or funding of any individual or group pension plan or pension fund or any individual or group retirement savings plan or retirement savings account, whether or not administered by the Member, including, but not limited to, any amount or loss paid, payable or owed to a participant, a participant account, a participant's beneficiary or any other person or entity, or any loss for which fiduciary liability is alleged or imposed against the Member, whether based on the Employee Retirement Income Security Act of 1974, as now or hereafter amended or any similar state, federal or local laws.

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

**INVERSE CONDEMNATION and BERT J. HARRIS JR. PRIVATE PROPERTY RIGHTS PROTECTION ACT**

I. The Coverage Agreement is amended as follows:

A. Exclusion S shall not apply to the following extent:

Any liability arising from a claim or suit alleging inverse condemnation by the Designated Member and/or alleging a cause of action under §§70.001 or 70.45 Florida Statutes, of the Bert J. Harris, Jr. Private Property Rights Protection Act, as may be amended from time to time.

B. Inverse Condemnation and Bert J. Harris Jr. Private Property Rights Act Sub-limit:

Regardless of the number of occurrences and claims, the Trust's total limit of liability for all occurrences, claims or suits alleging a cause of action for inverse condemnation and/or the Bert J. Harris, Jr., Private Property Rights Protection Act shall be an aggregate of \$300,000 per Trust coverage year, with each occurrence subject to a deductible of \$5,000 per occurrence or the deductible or self-insured retention amount described on the Designated Member's Declarations Page, whichever is greater.

The expenses incurred by the Trust to investigate, settle or defend any claim or suit covered under this endorsement shall reduce the applicable Limit of Liability provided above.

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

**SPECIFIC EXCESS ENDORSEMENT - GENERAL LIABILITY**

This endorsement, when issued by the Florida Municipal Insurance Trust, does not in any way modify the provisions of the Coverage Agreement. It does extend the monetary limits of liability, as stated in the Limits of Liability in the Declarations, as set forth below:

It is agreed that the specific limits of liability are \$ 5,000,000 (combined single limit) per occurrence, solely for any liability resulting from entry of a claims bill pursuant to Section 768.28(5) Florida Statutes or liability imposed pursuant to Federal Law, or to any liability resulting from actions taken outside of the State of Florida where it is determined by a court of competent jurisdiction that the liability limitations contained in Section 768.28(5), Florida Statutes, are inapplicable, if such liability is covered by the Agreement. The limits provided herein are inclusive of the \$200,000 each person and \$300,000 each occurrence liability limitations contained in Section 768.28 (5), Florida Statutes, but in no way exceed \$ 5,000,000 (combined single limit) per occurrence.

Exclusion Y is amended as follows:

To any damages imposed by an act of the legislature, except for claims bills passed by the legislature pursuant to Section 768.28(5), Florida Statutes, against a member, for damages covered under the terms of this Agreement.

# BREACH RESPONSE & CYBER LIABILITY COVERAGE SUPPLEMENTAL DECLARATIONS

**Designated Member:** Village of Palmetto Bay

**Designated Member Address:** 9705 East Hibiscus Street, Palmetto Bay, FL 33157

**Endorsement Number:** CYBER 1019

**Endorsement Period:** From: October 1, 2019 To: September 30, 2020  
At 12:01 a.m. Local Time at the Designated Member Address

Retention	Limit	
<b>Endorsement Aggregate Limit of Liability:</b>	\$1,000,000	
<b>First Party Loss</b> (Included in Endorsement Aggregate Limit)		
Business Interruption Loss:	\$1,000,000	each incident \$35,000
Cyber Extortion Loss:	\$1,000,000	each incident \$35,000
Data Recovery Costs:	\$1,000,000	each incident \$35,000
<b>Liability</b> (Included in Endorsement Aggregate Limit)		
Data & Network Liability:	\$1,000,000	each Claim \$35,000
Regulatory Defense & Penalties:	\$1,000,000	each Claim \$35,000
Payment Card Liabilities & Costs:	\$1,000,000	each Claim \$35,000
Media Liability:	\$1,000,000	each Claim \$35,000
<b>eCrime</b> (Included in Endorsement Aggregate Limit)		
Fraudulent Instruction:	\$50,000	each loss \$35,000
Funds Transfer Fraud:	\$50,000	each loss \$35,000
Telephone Fraud:	\$50,000	each loss \$35,000
Criminal Reward:	\$5,000	each loss \$0
<b>Breach Response Services Aggregate Limit of Coverage:</b>		
(In addition to Endorsement Aggregate Limit)	\$1,000,000	each incident \$35,000

# BREACH RESPONSE & CYBER LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE MEMBER DURING THE ENDORSEMENT PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO US IN ACCORDANCE WITH THE TERMS OF THIS ENDORSEMENT. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS. COVERAGE FOR EXPENSES OR LOSS MAY REQUIRE OUR PRIOR CONSENT OR APPROVAL. PLEASE READ THIS POLICY CAREFULLY.

The words **we**, **us** and **our** refer to the Florida Municipal Insurance Trust which is providing this coverage. The term **Agreement** refers to the Coverage Agreement to which this Endorsement is attached. Words and phrases that appear in bold have special meaning. Refer to **DEFINITIONS**. To the extent any words or phrases used in this Endorsement are defined elsewhere in the Agreement, such definitions provided elsewhere do not apply to give meaning to the words or phrases used in this Endorsement.

This Breach Response & Cyber Liability Endorsement is added to the Agreement and the terms and conditions of this Endorsement govern the scope of coverage and your and our duties. This Endorsement amends the Agreement to provide the below-described coverages. Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine your rights and duties and what is and is not covered. The terms, conditions, exclusions and limits of liability set forth in this Endorsement apply only to the coverage provided by this Endorsement.

The terms and conditions of the Cancellation provision of the Agreement, and any amendment to such terms, are incorporated herein and shall apply to coverage as is afforded by this Endorsement, unless specifically stated otherwise herein.

In consideration of the payment of the premium and reliance upon the statements contained in the information and materials provided to us in connection with the underwriting and issuance of this Endorsement and subject to all the provisions, terms and conditions of this Endorsement, we agree as follows:

## SECTION I – INSURING AGREEMENTS

### **Breach Response**

To provide **Breach Response Services** to the **Member** because of an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Member** first discovers during the **Endorsement Period**.

### **First Party Loss**

To indemnify the **Member** for:

*Business Interruption Loss*

**Business Interruption Loss** that the **Member** sustains as a result of a **Security Breach** that the **Member** first discovers during the **Endorsement Period**.

*Cyber Extortion Loss*

**Cyber Extortion Loss** that the **Member** incurs as a result of an **Extortion Threat** first made against the **Member** during the **Endorsement Period**.

*Data Recovery Costs*

**Data Recovery Costs** that the **Member** incurs as a direct result of a **Security Breach** that the **Member** first discovers during the **Endorsement Period**.

**Liability**

*Data & Network Liability*

To pay **Damages** and **Claims Expenses**, which the **Member** is legally obligated to pay because of any **Claim** first made against any **Member** during the **Endorsement Period** for:

1. a **Data Breach**;
2. a **Security Breach**;
3. the **Member's** failure to timely disclose a **Data Breach** or **Security Breach**;
4. failure by the **Member** to comply with that part of a **Privacy Policy** that specifically:
  - (a) prohibits or restricts the **Member's** disclosure, sharing or selling of **Personally Identifiable Information**;
  - (b) requires the **Member** to provide an individual access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made; or
  - (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the **Member** has in force, at the time of such failure, a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

*Regulatory Defense & Penalties*

To pay **Penalties** and **Claims Expenses**, which the **Member** is legally obligated to pay because of a **Regulatory Proceeding** first made against any **Member** during the **Endorsement Period** for a **Data Breach** or a **Security Breach**.

*Payment Card Liabilities & Costs*

To indemnify the **Designated Member** for **PCI Fines, Expenses and Costs** which it is legally obligated to pay because of a **Claim** first made against any **Member** during the **Endorsement Period**.

#### *Media Liability*

To pay **Damages** and **Claims Expenses**, which the **Member** is legally obligated to pay because of any **Claim** first made against any **Member** during the **Endorsement Period** for **Media Liability**.

#### **eCrime**

To indemnify the **Member** for any direct financial loss sustained resulting from:

1. **Fraudulent Instruction**;
2. **Funds Transfer Fraud**; or
3. **Telephone Fraud**;

that the **Member** first discovers during the **Endorsement Period** or to indemnify the **Member** for **Criminal Reward Funds**.

## **SECTION II – DEFINITIONS**

**Breach Notice Law** means any statute or regulation that requires notice to persons whose personal information was accessed or reasonably may have been accessed by an unauthorized person. **Breach Notice Law** also includes any statute or regulation requiring notice of a **Data Breach** to be provided to governmental or regulatory authorities.

**Breach Response Services** means the following fees and costs in response to an actual or reasonably suspected **Data Breach** or **Security Breach**:

1. for an attorney to provide necessary legal advice to the **Member** to evaluate its obligations pursuant to **Breach Notice Laws** or a **Merchant Services Agreement** and in connection with providing the **Breach Response Services** described below;
2. for a computer security expert to determine the existence, cause and scope of an actual or reasonably suspected **Data Breach**, and if such **Data Breach** is actively in progress on the **Member's Computer Systems**, to assist in containing it;
3. for a PCI Forensic Investigator to investigate the existence and extent of an actual or reasonably suspected **Data Breach** involving payment card data and for a Qualified Security Assessor to certify and assist in attesting to the **Member's** PCI compliance, as required by a **Merchant Services Agreement**;
4. to notify those individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**;
5. to provide a call center to respond to inquiries about a **Data Breach**;

6. to provide a credit monitoring, identity monitoring or other solution approved by us to individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**; and
7. public relations and crisis management costs directly related to mitigating harm to the **Member** which are approved in advance by us in our discretion.

**Breach Response Services** will be provided by providers chosen by us in consultation with the **Member**, will be subject to the terms and conditions of this Endorsement, and will not include any internal salary or overhead expenses of the **Member**.

**Business Interruption Loss** means:

1. **Income Loss**;
2. **Forensic Expenses**; and
3. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Member's** business operations caused by a **Security Breach**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed.

**Business Interruption Loss** will not include (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; or (v) **Data Recovery Costs**.

**Claim** means:

1. a written demand received by any **Member** for money or services;
2. with respect to coverage provided under the Regulatory Defense & Penalties insuring agreement only, institution of a **Regulatory Proceeding** against any **Member**; and
3. with respect to coverage provided under part 1. of the Data & Network Liability insuring agreement only, a demand received by any **Member** to fulfill the **Member's** contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**;

Multiple **Claims** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Claim** for the purposes of this Endorsement. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

**Claims Expenses** means:

1. all reasonable and necessary legal costs and expenses resulting from the investigation, defense and appeal of a **Claim**, if incurred by us, or by the **Member** with our prior written consent; and
2. the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against the **Member**; provided we will have no obligation to appeal or to obtain bonds.

**Claims Expenses** will not include any salary, overhead, or other charges by the **Member** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Endorsement, or costs to comply with any regulatory orders, settlements or judgments.

**Computer Systems** means computers, any software residing on such computers and any associated devices or equipment:

1. operated by and either owned by or leased to the **Member**; or
2. with respect to coverage under the Breach Response, Business Interruption Loss and Liability insuring agreements, operated by a third party pursuant to written contract with the **Member** and used for the purpose of providing hosted computer application services to the **Member** or for processing, maintaining, hosting or storing the **Member's** electronic data.

**Control Group** means any principal, partner, officer, director, general counsel (or most senior legal counsel) or risk manager of the **Member** and any individual in a substantially similar position.

**Criminal Reward Funds** means any amount offered and paid by the **Member** with our prior written consent for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this Endorsement; but will not include any amount based upon information provided by the **Member**, the **Member's** auditors or any individual hired or retained to investigate the illegal acts. All **Criminal Reward Funds** offered pursuant to this Endorsement must expire no later than 6 months following the end of the **Endorsement Period**.

**Cyber Extortion Loss** means:

1. any **Extortion Payment** that has been made by or on behalf of the **Member** with our prior written consent to prevent or terminate an **Extortion Threat**; and
2. reasonable and necessary expenses incurred by the **Member** with our prior written consent to prevent or respond to an **Extortion Threat**.

**Damages** means a monetary judgment, award or settlement, including any award of prejudgment or post-judgment interest; but **Damages** will not include:

1. future profits, restitution, disgorgement of unjust enrichment or profits by the **Member**, or the costs of complying with orders granting injunctive or equitable relief;
2. return or offset of fees, charges or commissions charged by or owed to the **Member** for goods or services already provided or contracted to be provided;
3. taxes or loss of tax benefits;
4. fines, sanctions or penalties;
5. punitive or exemplary damages or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such punitive, exemplary or multiple damages;

6. discounts, coupons, prizes, awards or other incentives offered to the **Member's** customers or clients;
7. liquidated damages, but only to the extent that such damages exceed the amount for which the **Member** would have been liable in the absence of such liquidated damages agreement;
8. fines, costs or other amounts the **Member** is responsible to pay under a **Merchant Services Agreement**; or
9. any amounts for which the **Member** is not liable, or for which there is no legal recourse against the **Member**.

**Data** means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.

**Data Breach** means the theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody or control of the **Member** or a third party for whose theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** the **Member** is liable.

**Data Recovery Costs** means the reasonable and necessary costs incurred by the **Member** to regain access to, replace, or restore **Data**, or if **Data** cannot reasonably be accessed, replaced, or restored, then the reasonable and necessary costs incurred by the **Member** to reach this determination.

**Data Recovery Costs** will not include: (i) the monetary value of profits, royalties, or lost market share related to **Data**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of **Data**; (ii) legal costs or legal expenses; (iii) loss arising out of any liability to any third party; (iv) **Cyber Extortion Loss** or (v) any of the **Member's** internal salary or overhead expenses.

**Designated Member** means the entity or organization listed in the Supplemental Declarations.

**Digital Currency** means a type of digital currency that:

1. requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
2. is both stored and transferred electronically; and
3. operates independently of a central bank or other central authority.

**Endorsement Period** means the period of time between the inception date listed in the Supplemental Declarations and the effective date of termination, expiration or cancellation of this Endorsement and specifically excludes any Optional Extension Period or any prior Endorsement period or renewal period.

**Extortion Payment** means **Money**, **Digital Currency**, marketable goods or services demanded to prevent or terminate an **Extortion Threat**.

**Extortion Threat** means a threat to:

1. alter, destroy, damage, delete or corrupt **Data**;

2. perpetrate the **Unauthorized Access or Use of Computer Systems**;
3. prevent access to **Computer Systems** or **Data**;
4. steal, misuse or publicly disclose **Data**, **Personally Identifiable Information** or **Third Party Information**;
5. introduce malicious code into **Computer Systems** or to third party computer systems from **Computer Systems**; or
6. interrupt or suspend **Computer Systems**;

unless an **Extortion Payment** is received from or on behalf of the **Member**.

**Extra Expense** means reasonable and necessary expenses incurred by the **Member** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Member** would have incurred had no **Security Breach** occurred.

**Financial Institution** means a bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Member** maintains a bank account.

**Forensic Expenses** means reasonable and necessary expenses incurred by the **Member** to investigate the source or cause of a **Business Interruption Loss**.

**Fraudulent Instruction** means the transfer, payment or delivery of **Money** or **Securities** by a **Member** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead a **Member** through the misrepresentation of a material fact which is relied upon in good faith by such **Member**.

**Fraudulent Instruction** will not include loss arising out of:

1. fraudulent instructions received by the **Member** which are not first authenticated via a method other than the original means of request to verify the authenticity or validity of the request;
2. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
3. any transfer involving a third party who is not a natural person **Member**, but had authorized access to the **Member's** authentication mechanism;
4. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts;
5. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
6. any liability to any third party, or any indirect or consequential loss of any kind;
7. any legal costs or legal expenses; or
8. proving or establishing the existence of **Fraudulent Instruction**.

**Funds Transfer Fraud** means the loss of **Money** or **Securities** contained in a **Transfer Account** at a **Financial Institution** resulting from fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions by a third party issued to a **Financial Institution** directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by the **Member** at such institution, without the **Member's** knowledge or consent.

**Funds Transfer Fraud** will not include any loss arising out of:

1. the type or kind covered by the **Member's** financial institution bond or commercial crime policy;
2. any actual or alleged fraudulent, dishonest or criminal act or omission by, or involving, any natural person **Member**;
3. any indirect or consequential loss of any kind;
4. punitive, exemplary or multiplied damages of any kind or any fines, penalties or loss of any tax benefit;
5. any liability to any third party, except for direct compensatory damages arising directly from **Funds Transfer Fraud**;
6. any legal costs or legal expenses; or proving or establishing the existence of **Funds Transfer Fraud**;
7. the theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;
8. any forged, altered or fraudulent negotiable instruments, securities, documents or instructions; or
9. any actual or alleged use of credit, debit, charge, access, convenience or other cards or the information contained on such cards.

**Income Loss** means an amount equal to:

1. net profit or loss before interest and tax that the **Member** would have earned or incurred; and
2. continuing normal operating expenses incurred by the **Member** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.

**Individual Contractor** means any natural person who performs labor or service for the **Member** pursuant to a written contract or agreement with the **Member**. The status of an individual as an **Individual Contractor** will be determined as of the date of an alleged act, error or omission by any such **Individual Contractor**.

**Loss** means **Breach Response Services, Business Interruption Loss, Claims Expenses, Criminal Reward Funds, Cyber Extortion Loss, Damages, Data Recovery Costs, PCI Fines, Expenses and Costs, Penalties**, loss covered under the eCrime insuring agreement and any other amounts covered under this Endorsement.

Multiple **Losses** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Loss** for the purposes of this Endorsement.

With respect to the Breach Response and First Party Loss insuring agreements, all acts, errors, omissions or events (or series of related, repeated or continuing acts, errors, omissions or events) giving rise to a **Loss** or multiple **Losses** in connection with such insuring agreements will be deemed to have been discovered at the time the first such act, error, omission or event is discovered.

**Media Liability** means one or more of the following acts committed by, or on behalf of, the **Member** in the course of creating, displaying, broadcasting, disseminating or releasing **Media Material** to the public:

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light, intrusion upon seclusion and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. plagiarism, piracy, or misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark or service name;
7. improper deep-linking or framing;
8. false arrest, detention or imprisonment;
9. invasion of or interference with any right to private occupancy, including trespass, wrongful entry or eviction; or
10. unfair competition, if alleged in conjunction with any of the acts listed in parts 5. or 6. above.

**Media Material** means any information, including words, sounds, numbers, images or graphics, but will not include computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.

**Member** means:

- a. the **Designated Member**;
- b. any director or officer of the **Member**, but only with respect to the performance of his or her duties as such on behalf of the **Member**;
- c. an employee or **Individual Contractor** of the **Member**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Member's** business;

- d. while acting within the scope of his or her duties or employment, any officer, volunteer, or employee of the **Designated Member**, including elected and appointed officials, and members of the **Designated Member's** boards or commissions.

**Merchant Services Agreement** means any agreement between the **Member** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling the **Member** to accept credit card, debit card, prepaid card or other payment cards for payments or donations.

**Money** means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

**PCI Fines, Expenses and Costs** means the monetary amount owed by the **Member** under the terms of a **Merchant Services Agreement** as a direct result of a suspected **Data Breach**. With our prior consent, **PCI Fines, Expenses and Costs** includes reasonable and necessary legal costs and expenses incurred by the **Member** to appeal or negotiate an assessment of such monetary amount. **PCI Fines, Expenses and Costs** will not include any charge backs, interchange fees, discount fees or other fees unrelated to a **Data Breach**.

**Penalties** means:

1. any monetary civil fine or penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding**; and
2. amounts which the **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** (including such amounts required to be paid into a Consumer Redress Fund);

but will not include: (a) costs to remediate or improve **Computer Systems**; (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies; (c) audit, assessment, compliance or reporting costs; or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Information** or other information.

The insurability of **Penalties** will be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**.

**Period of Restoration** means the 180-day period of time that begins upon the actual and necessary interruption of the **Member's** business operations.

**Personally Identifiable Information** means:

1. any information concerning an individual that is defined as personal information under any
2. an individual's drivers license or state identification number, social security number, unpublished telephone number, and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

but will not include information that is lawfully made available to the general public.

**Privacy Policy** means the **Member's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to **Personally Identifiable Information**.

**Regulatory Proceeding** means a request for information, civil investigative demand, or civil proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

**Securities** means negotiable and non-negotiable instruments or contracts representing either **Money** or tangible property that has intrinsic value.

**Security Breach** means a failure of computer security to prevent:

1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Member**;
2. a denial of service attack affecting **Computer Systems**;
3. with respect to coverage under the Liability insuring agreements, a denial of service attack affecting computer systems that are not owned, operated or controlled by the **Member**; or
4. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**.

**Telephone Fraud** means the act of a third party gaining access to and using the **Member's** telephone system in an unauthorized manner.

**Third Party Information** means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Endorsement which is not available to the general public.

**Transfer Account** means an account maintained by the **Member** at a **Financial Institution** from which the **Member** can initiate the transfer, payment or delivery of **Money** or **Securities**.

**Unauthorized Access or Use** means the gaining of access to or use of **Computer Systems** by an unauthorized person(s) or the use of **Computer Systems** in an unauthorized manner.

**Unauthorized Disclosure** means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Member** and is without knowledge of, consent or acquiescence of any member of the **Control Group**.

**Waiting Period** means the period of time that begins upon the actual interruption of the **Member's** business operations caused by a **Security Breach**, and ends after the elapse of eight (8) hours.

### SECTION III – EXCLUSIONS

The coverage under this Endorsement will not apply to any **Loss** arising out of:

#### **Bodily Injury or Property Damage**

1. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; but electronic data will not be considered tangible property;

#### **Trade Practices and Antitrust**

any actual or alleged false, deceptive or unfair trade practices, antitrust violation, restraint of trade, unfair competition (except as provided in the Media Liability insuring agreement), or false or deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act; but this exclusion will not apply to:

1. the Breach Response insuring agreement; or
2. coverage for a **Data Breach** or **Security Breach**, provided no member of the **Control Group** participated or colluded in such **Data Breach** or **Security Breach**;

#### **Gathering or Distribution of Information**

1. the unlawful collection or retention of **Personally Identifiable Information** or other personal information by or on behalf of the **Member**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Member** against allegations of unlawful collection of **Personally Identifiable Information**; or
2. the distribution of unsolicited email, text messages, direct mail, facsimiles or other communications, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping, recording or telemarketing is done by or on behalf of the **Member**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Member** against allegations of unlawful audio or video recording;

#### **Prior Known Acts & Prior Noticed Claims**

1. any act, error, omission, incident or event committed or occurring prior to the inception date of this Endorsement if any member of the **Control Group** on or before the inception date of this Endorsement knew or could have reasonably foreseen that such act, error or omission, incident or event might be expected to be the basis of a **Claim** or **Loss**;
2. any **Claim**, **Loss**, incident or circumstance for which notice has been provided under any prior policy or endorsement of which this Endorsement is a renewal or replacement;

#### **Racketeering, Benefit Plans, Employment Liability & Discrimination**

1. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
2. any actual or alleged acts, errors or omissions related to any of the **Member's** pension, retirement, healthcare, Welfare, profit sharing, mutual or investment plans, funds or trusts;
3. any employer-employee relations, policies, practices, alleged or actual wrongful employment practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; or
4. any actual or alleged discrimination;

but this exclusion will not apply to coverage under the Breach Response insuring agreement or parts 1., 2. or 3. of the Data & Network Liability insuring agreement that results from a **Data Breach**; provided no member of the **Control Group** participated or colluded in such **Data Breach**;

#### **Sale or Ownership of Securities & Violation of Securities Laws**

1. the ownership, sale or purchase of, or the offer to sell or purchase stock or other securities; or
2. an actual or alleged violation of a securities law or regulation;

#### **Criminal, Intentional or Fraudulent Acts**

any criminal, dishonest, fraudulent, or malicious act or omission, or intentional or knowing violation of the law, if committed by the **Member**, or by others if the **Member** colluded or participated in any such conduct or activity; but this exclusion will not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct; or
2. with respect to a natural person **Member**, if such **Member** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**.

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the **Control Group** will be imputed to the **Member**;

#### **Patent, Software Copyright, Misappropriation of Information**

1. infringement, misuse or abuse of patent or patent rights;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a past, present or future employee, director, officer, partner or independent contractor of the **Member**; or
3. use or misappropriation of any ideas, trade secrets or **Third Party Information** (i) by, or on behalf of, the **Member**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**;

### **Governmental Actions**

a **Claim** brought by or on behalf of any state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; but this exclusion will not apply to the Regulatory Defense & Penalties insuring agreement;

### **Other Members & Related Enterprises**

a **Claim** made by or on behalf of:

1. any **Member**; but this exclusion will not apply to a **Claim** made by an individual that is not a member of the **Control Group** under the Data & Network Liability insuring agreement; or
2. any business enterprise in which any **Member** has greater than 15% ownership interest or made by any parent company or other entity which owns more than 15% of the **Designated Member**;

### **Trading Losses, Loss of Money & Discounts**

1. any trading losses, trading liabilities or change in value of accounts;
2. any loss, transfer or theft of monies, securities or tangible property of the **Member** or others in the care, custody or control of the **Member**;
3. the monetary value of any transactions or electronic fund transfers by or on behalf of the **Member** which is lost, diminished, or damaged during transfer from, into or between accounts; or
4. the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

but this exclusion will not apply to coverage under the eCrime insuring agreement;

### **Media-Related Exposures**

with respect to the Media Liability insuring agreement:

1. any contractual liability or obligation; but this exclusion will not apply to a **Claim** for misappropriation of ideas under implied contract;
2. the actual or alleged obligation to make licensing fee or royalty payments;
3. any costs or expenses incurred or to be incurred by the **Member** or others for the reprinting, reposting, recall, removal or disposal of any **Media Material** or any other information, content or media, including any media or products containing such **Media Material**, information, content or media;
4. any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations;
5. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, contract price estimates, or the failure of any goods or services to conform with any represented quality or performance;

6. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
7. any **Claim** made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer or venture partner;

#### **First Party Loss**

with respect to the First Party Loss insuring agreements:

1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority;
2. costs or expenses incurred by the **Member** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or **Computer Systems** to a level beyond that which existed prior to a **Security Breach** or **Extortion Threat**;
3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the **Member's** direct operational control; or
4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

#### **War and Civil War**

For, resulting from, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; provided, that this exclusion will not apply to **Cyber Terrorism**. For purposes of this exclusion, **Cyber Terrorism** means the premeditated use of disruptive activities, or threat to use disruptive activities, against a **Computer System** or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives.

#### **Radioactive Contamination**

In relation to liability arising outside the U.S.A., its territories or possessions, Puerto Rico or the Canal Zone, this Endorsement does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

#### **Sanction Limitation**

The Trust shall not cover, nor be liable to pay, any **Claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **Claim** or provision of such benefit would expose the Trust to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, law or regulations of the European Union, United Kingdom or United States of America.

## SECTION IV – LIMIT OF LIABILITY AND COVERAGE

### Limits of Liability

The Endorsement Aggregate Limit of Liability listed in the Supplemental Declarations (the “**Endorsement Aggregate Limit of Liability**”) is our combined total limit of liability for all **Loss**, other than **Breach Response Services**, payable under this Endorsement.

The limit of liability payable under each insuring agreement will be an amount equal to the **Endorsement Aggregate Limit of Liability** unless another amount is listed in the Supplemental Declarations. Such amount is the aggregate amount payable under this Endorsement pursuant to such insuring agreement and is part of, and not in addition to, the **Endorsement Aggregate Limit of Liability**.

We will not be obligated to pay any **Damages, Penalties, PCI Fines, Expenses and Costs** or **Claims Expenses**, or to defend any **Claim**, after the **Endorsement Aggregate Limit of Liability** has been exhausted, or after deposit of the **Endorsement Aggregate Limit of Liability** in a court of competent jurisdiction.

### Breach Response Limits

Coverage for **Breach Response Services** under this Endorsement is in addition to the **Endorsement Aggregate Limit of Liability**. The Breach Response Aggregate Limit of Coverage listed in the Supplemental Declarations (the “**Breach Response Services Aggregate Limit of Coverage**”) is our combined total limit of coverage for all legal, forensic, public relations and crisis management, notification, call center and credit or identity monitoring services payable under this Endorsement.

## SECTION V – RETENTIONS

The Retention listed in the Supplemental Declarations applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**. The Retention will be satisfied by monetary payments by the **Designated Member** of covered **Loss** under each insuring agreement. If any **Loss** arising out of an incident or **Claim** is subject to more than one Retention, the Retention for each applicable insuring agreement will apply to such **Loss**, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.

Coverage for **Business Interruption Loss** will apply after the **Waiting Period** has elapsed and we will then indemnify the **Designated Member** for all **Business Interruption Loss** sustained during the **Period of Restoration** in excess of the Retention.

Satisfaction of the applicable Retention is a condition precedent to the payment of any **Loss** under this Endorsement, and we will be liable only for the amounts in excess of such Retention.

## SECTION VI – OPTIONAL EXTENSION PERIOD

Upon non-renewal or cancellation of this Endorsement for any reason except the non-payment of premium, the **Designated Member** will have the right to purchase, for additional premium, an Optional Extension Period of twelve (12) months. Coverage provided by such Optional Extension Period will only apply to **Claims** first made against any **Member** during the Optional Extension Period and reported to us during the Optional Extension Period, and arising out of any act, error or omission committed before the end of the **Endorsement Period**. In order for the **Designated Member** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to us within 60 days of the termination of this Endorsement.

The purchase of the Optional Extension Period will in no way increase the **Endorsement Aggregate Limit of Liability** or any sublimit of liability. At the commencement of the Optional Extension Period the entire premium will be deemed earned, and in the event the **Designated Member** terminates the Optional Extension Period for any reason prior to its natural expiration, We will not be liable to return any premium paid for the Optional Extension Period.

## SECTION VII – GENERAL CONDITIONS

### Notice of Claim or Loss

The **Member** must notify us of any **Claim** as soon as practicable, but in no event later than: (i) 60 days after the end of the **Endorsement Period**; or (ii) the end of the Optional Extension Period (if applicable).

With respect to **Breach Response Services**, the **Member** must notify us of any actual or reasonably suspected **Data Breach** or **Security Breach** as soon as practicable after discovery by the **Member**, but in no event later than 60 days after the end of the **Endorsement Period**. Notice of an actual or reasonably suspected **Data Breach** or **Security Breach** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.

With respect to **Cyber Extortion Loss**, the **Designated Member** must notify us as soon as practicable after discovery of an **Extortion Threat** but no later than 60 days after the end of the **Endorsement Period**. The **Designated Member** must obtain our consent prior to incurring **Cyber Extortion Loss**.

With respect to **Data Recovery Costs** and **Business Interruption Loss**, the **Designated Member** must notify us as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Designated Member** will provide us a proof of **Data Recovery Costs** and **Business Interruption Loss**. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to us no later than 6 months after the end of the **Endorsement Period**.

The **Designated Member** must notify us of any loss covered under the eCrime insuring agreement as soon as practicable, but in no event later than 60 days after the end of the **Endorsement Period**.

Any **Claim** arising out of a **Loss** that is covered under the Breach Response, First Party Loss or eCrime insuring agreements and that is reported to us in conformance with the foregoing will be considered to have been made during the **Endorsement Period**.

### Notice of Circumstance

With respect to any circumstance that could reasonably be the basis for a **Claim** (other than a **Data Breach** or **Security Breach** noticed under the Breach Response insuring agreement) the **Member** may give written notice of such circumstance to us as soon as practicable during the **Endorsement Period**. Such notice must include:

1. the specific details of the act, error, omission or event that could reasonably be the basis for a **Claim**;
2. the injury or damage which may result or has resulted from the circumstance; and
3. the facts by which the **Member** first became aware of the act, error, omission or event.

Any subsequent **Claim** made against the **Member** arising out of any circumstance reported to us in conformance with the foregoing will be considered to have been made at the time written notice complying with the above requirements was first given to Us during the **Endorsement Period**.

#### **Defense of Claims**

Except with respect to coverage under the Payment Card Liabilities & Costs insuring agreement, We have the right and duty to defend any covered **Claim** or **Regulatory Proceeding**. Defense counsel will be mutually agreed by the **Designated Member** and us but, in the absence of such agreement, our decision will be final.

With respect to the Payment Card Liabilities & Costs insuring agreement, coverage will be provided on an indemnity basis and legal counsel will be mutually agreed by the **Designated Member** and us and will be selected from one of the firms on our panel.

#### **Settlement of Claims**

If the **Member** refuses to consent to any settlement recommended by us and acceptable to the claimant, our liability for such **Claim** will not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining Retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus
2. sixty percent (60%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Member** plus sixty percent (60%) of any **Damages, Penalties and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled;

and we will have the right to withdraw from the further defense of such **Claim**.

The **Member** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the Retention, provided that the entire **Claim** is resolved and the **Member** obtains a full release on behalf of the **Member** from all claimants.

#### **Assistance and Cooperation**

We will have the right to make any investigation we deem necessary, and the **Member** will cooperate with us in all investigations, including investigations regarding coverage

under this Endorsement and the information and materials provided to us in connection with the underwriting and issuance of this Endorsement. The **Member** will execute or cause to be executed all papers and render all assistance as is requested by us. The **Member** agrees not to take any action which in any way increases our exposure under this Endorsement. Expenses incurred by the **Member** in assisting and cooperating with us do not constitute **Claims Expenses** under the Endorsement.

The **Member** will not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without our written consent, except as specifically provided in the Settlement of Claims clause above. Compliance with a **Breach Notice Law** will not be considered an admission of liability.

### **Subrogation**

If any payment is made under this Endorsement, we shall be granted the **Member's** rights of recovery against any other party, and we will maintain and pursue all such rights of recovery in our sole discretion. The **Member** will do whatever is reasonably necessary to secure such rights and will not do anything after an incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. Subrogation recoveries, if any, shall be pursued and allocated as provided in the Coverage Agreement's Member Obligations and Conditions of Coverage section.

### **Other Insurance**

The insurance under this Endorsement will apply in excess of any other valid and collectible insurance available to any **Member** unless such other insurance is written only as specific excess insurance over this Endorsement.

### **Action Against Us**

No action will lie against us or our representatives unless and until, as a condition precedent thereto, the **Member** has fully complied with all provisions, terms and conditions of this Endorsement and the amount of the **Member's** obligation to pay has been finally determined either by judgment or award against the **Member** after trial, regulatory proceeding, arbitration or by written agreement of the **Member**, the claimant, and us.

No person or organization will have the right under this Endorsement to join us as a party to an action or other proceeding against the **Member** to determine the **Member's** liability, nor will we be impleaded by the **Member** or the **Member's** legal representative.

The **Member's** bankruptcy or insolvency of the **Member's** estate will not relieve us of our obligations hereunder.

### **Entire Agreement**

By acceptance of the Endorsement, the **Member** agrees that this Endorsement embodies all agreements between us and the **Member** relating to this Endorsement. Notice to any agent, or knowledge possessed by any agent or by any other person, will not affect a waiver or a change in any part of this Endorsement or stop us from asserting any right under the terms of this Endorsement; nor will the terms of this Endorsement be waived or changed, except by endorsement issued to form a part of this Endorsement signed by us.

### **Assignment**

The interest hereunder of any **Member** is not assignable. If the **Member** dies or is adjudged incompetent, such insurance will cover the **Member's** legal representative as if such representative were the **Member**, in accordance with the terms and conditions of this Endorsement.

### **Singular Form of a Word**

Whenever the singular form of a word is used herein, the same will include the plural when required by context.

### **Headings**

The titles of paragraphs, clauses, provisions or endorsements of or to this Endorsement are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Endorsement.

### **Representation by the Member**

The **Member** agrees that the statements contained in the information and materials provided to us in connection with the underwriting and issuance of this Endorsement are true, accurate and are not misleading, and that we issued this Endorsement, and assume the risks hereunder, in reliance upon the truth thereof.

### **Designated Member as Agent**

The **Designated Member** will be considered the agent of all **Members**, and will act on behalf of all **Members** with respect to the giving of or receipt of all notices pertaining to this Endorsement, and the acceptance of any endorsements to this Endorsement. The **Designated Member** is responsible for the payment of all premiums and Retentions and for receiving any return premiums.

### **Territory**

This Insurance applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

### **Antistacking**

In consideration of the premium charged for the Endorsement, it is hereby understood and agreed that notwithstanding anything to the contrary contained in this Endorsement, in the event any incident, event or related incidents or events, giving rise to a **Claim** or an obligation to provide **Breach Response Services** triggers coverage under this Endorsement and any other endorsement issued by us, our liability under this Endorsement and such other endorsements combined shall not exceed the amount of the largest **Endorsement Aggregate Limit of Liability** or applicable sublimits of liability.

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

**CRISIS INTERVENTION EXPENSE ENDORSEMENT**

Subject to an annual aggregate limit of \$25,000, the Trust will reimburse incurred expenses for the following crisis intervention services for a Member when a Crisis occurs:

- (1) On-site Crisis and grief counseling for employees or officials of Member who have undergone a Personal Crisis for a period of one (1) week after the Crisis occurs.
- (2) 24-hours a day, 7-days a week Crisis hotline for a period of up to three (3) months after the Crisis occurs.
- (3) Crisis follow-up and relapse prevention services for those employees or officials of Member on an as needed basis by a licensed professional for a period of up to three (3) months after the Crisis occurs.
- (4) A public relations specialist to assist in handling Crisis related external communications with electronic, print, television and/or radio media for up to thirty (30) days after the Crisis occurs.

For purposes of this endorsement only:

Crisis occurs when an event resulting in loss of life or serious injury to others causes Member employees or officials to suffer a Personal Crisis. The event causing the Personal Crisis must arise during the discharge of duties by the employee or official on behalf of Member.

Personal Crisis means an acute response to an event wherein homeostasis is disrupted, and one's usual coping mechanisms have failed, and there is evidence of significant stress or functional impairment as diagnosed by a licensed physician.

The coverage provided by this endorsement shall be secondary to a Member's employee assistance program or other employee benefit plan that provides crisis intervention or recovery services.

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

**SEWERLINE BACKUP INITIAL CLEANUP EXPENSE**

It is agreed the Designated Member's coverage provided by the Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

**I. COVERAGE**

The Trust will reimburse the costs of initial water extraction, drying and/or cleanup if sewage and/or wastewater backup occurs ("Backup Occurrence") within a residential or commercial property owned by a third-party ("Affected Property"), subject to the following coverage conditions:

1. The Trust determines the relevant sewer line is owned, operated and/or maintained by the Designated Member and the Backup Occurrence arose from a sewer line obstruction or other malfunction outside of the Affected Property's lateral sewer line and boundary lines;
2. The property affected by the sewerline Backup Occurrence is not owned by the Designated Member;
3. Payment hereunder is limited to reimbursement of the Designated Member; however, the Trust may directly pay the selected cleanup services provider if the provider has not yet been paid for services covered by this endorsement.
4. The coverage provided hereunder is limited to payment for the reasonably incurred costs of initial water extraction, drying and/or cleanup following a Backup Occurrence;
5. The coverage provided hereunder is not subject to any deductible or self-insured retention.

**II. LIMIT**

This coverage is limited to \$10,000.00 per Affected Property, subject to a maximum of \$200,000.00 in the aggregate per Trust coverage year.

**III. EXCLUSIONS**

The Exclusions Section of the Coverage Agreement shall continue to apply to this coverage in addition to the following endorsement-specific exclusions:

1. Any Claim, Suit or liability for costs, expenses, losses, Damages, Bodily Injury or physical Property Damage or loss of use alleged to arise from the Backup Occurrence other than the reasonably incurred costs of initial water extraction, drying and/or cleanup following a Backup Occurrence;
2. Any Claim or liability alleged, or that remains unpaid, after the Trust determines the aggregate coverage provided hereunder has been exhausted; and
3. Any Claim, Suit or liability based any Backup Occurrence arising from, or in conjunction with, any of the following:
  - a. Flood, meaning a rising and overflowing of a body of water onto normally dry land; or the unusual and rapid accumulation or runoff of surface waters from any source, including water which backs up through sewers or drains as a result of any of the foregoing; or
  - b. Named Storm, meaning a named windstorm weather condition that is officially declared by the National Hurricane Center of the National Weather Service to be a Tropical Storm or Hurricane.

**FLORIDA MUNICIPAL INSURANCE TRUST  
AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE  
DECLARATIONS**

**I. DESIGNATED MEMBER:**

Village of Palmetto Bay

**Agreement No.:** FMIT #1028

**II. GOVERNMENT DESCRIPTION**

Municipality

**III. COVERAGE PERIOD**

From 10/01/2019 to 10/01/2020 12:01 A.M. Standard Time at the address of the Designated Member

**IV. AUTOMOBILE**

	Premium Basis	Deductible/ Type	Limit	Net Premium
1. Automobile Liability	Per Schedule	\$0	\$1,000,000	\$10,230
Number of Vehicles:	28			
2. Uninsured Motorists Protection			N/A	N/A
3. Personal Injury Protection			\$10,000	Included
4. Automobile Medical Payments			N/A	N/A
5. Automobile Physical Damage	Per Schedule	Per Schedule	N/A	\$3,673

**V.** This Agreement includes these endorsements and schedules: See Schedule B

**VI. ESTIMATED ANNUAL PREMIUM**

Florida Municipal Insurance Trust (FMIT)

**Normal  
Premium  
\$13,903**

**Florida League of Cities Sponsored Insurance Programs Since 1977**

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

**FMIT AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE COVERAGES**

October 1, 2019 - October 1, 2020 Scheduled Coverage Forms List

Village of Palmetto Bay, FMIT #1028

**Schedule B**

Form #	Description
FMIT AUTO SCH 1002	Automobile Schedule
FMIT COND 1019	Conditions of Coverage
FMIT CA 1019	Coverage Agreement
FMIT AL 1019	Automobile Liability
FMIT PIP 1014	Personal Injury Protection
FMIT APD 1016	Automobile Physical Damage Coverage Form
FMIT ARR 1009	Rental Reimbursement Coverage
FMIT SE AL 1012	Specific Excess Endorsement - Automobile Liability
FMIT AE 1008	Employer - Provided Vehicles - Automobile Liability

## Automobile Schedule

Village of Palmetto Bay, FMIT #1028

10/01/2019 - 10/01/2020

Veh #	Eff Date	Exp Date	City #	Year Make			Description				ID #	Cost New	
				Code	Liab	PIP	Med Pay	UM	Comp Ded	SP Ded		Coll Ded	Phy Dmg
0	10/1/2019	10/1/2020											
			6619	\$93	\$0	\$0	\$0	n/a	n/a	n/a	\$0	\$93	
0	10/1/2019	10/1/2020											
			6638	\$93	\$0	\$0	\$0	n/a	n/a	n/a	\$0	\$93	
1	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$118	\$518	
2	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$118	\$518	
3	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$118	\$518	
4	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$118	\$518	
5	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$118	\$518	
6	10/1/2019	10/1/2020											
			7398	\$243	\$12	\$0	\$0	\$500	n/a	\$500	\$153	\$408	
7	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$149	\$549	
8	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$149	\$549	
9	10/1/2019	10/1/2020											
			5882	\$529	\$0	\$0	\$0	\$500	n/a	\$500	\$178	\$707	
10	10/1/2019	10/1/2020											
			5882	\$529	\$0	\$0	\$0	\$500	n/a	\$500	\$178	\$707	
11	10/1/2019	10/1/2020											
			21499	\$407	\$12	\$0	\$0	\$500	n/a	\$500	\$111	\$530	
12	10/1/2019	10/1/2020											
			68499	\$38	\$1	\$0	\$0	\$500	n/a	\$500	\$21	\$60	
13	10/1/2019	10/1/2020											
			68499	\$38	\$1	\$0	\$0	\$500	n/a	\$500	\$21	\$60	
14	10/1/2019	10/1/2020											
			68499	\$38	\$1	\$0	\$0	\$500	n/a	\$500	\$21	\$60	
15	10/1/2019	10/1/2020											
			68499	\$38	\$1	\$0	\$0	\$500	n/a	\$500	\$21	\$60	
16	10/1/2019	10/1/2020											
			5882	\$529	\$0	\$0	\$0	\$500	n/a	\$500	\$178	\$707	
17	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$99	\$499	
18	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$99	\$499	
19	10/1/2019	10/1/2020											
			68499	\$38	\$1	\$0	\$0	\$500	n/a	\$500	\$21	\$60	
20	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$138	\$538	
21	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$155	\$555	
22	10/1/2019	10/1/2020											
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$155	\$555	

## Automobile Schedule

Village of Palmetto Bay, FMIT #1028

10/01/2019 - 10/01/2020

Veh #	Eff Date	Exp Date	City #	Year Make			Description			ID #	Cost New	
				Code	Liab	PIP	Med Pay	UM	Comp Ded		SP Ded	Coll Ded
23	10/1/2019	10/1/2020		2016	FREIGHTLINER			M2-106		1324	\$142,460	
			31499	\$462	\$12	\$0	\$0	\$500	n/a	\$500	\$548	\$1,022
24	10/1/2019	10/1/2020		2016	FORD			F250		2579	\$22,997	
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$243	\$643
25	10/1/2019	10/1/2020		2017	FORD			E450 20 PASSENGER		1520	\$61,656	
			5882	\$529	\$28	\$0	\$0	n/a	n/a	n/a	\$0	\$557
26	10/1/2019	10/1/2020		2017	FORD			E450 20 PASSENGER		1524	\$61,656	
			5882	\$529	\$28	\$0	\$0	n/a	n/a	n/a	\$0	\$557
27	10/1/2019	10/1/2020		2016	FORD			F250		2580	\$22,997	
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$243	\$643
28	10/1/2019	10/1/2020		2015	FORD			F150		2797	\$18,541	
			01499	\$388	\$12	\$0	\$0	\$500	n/a	\$500	\$202	\$602
Total Normal Premiums				\$9,953	\$277	\$0	\$0				\$3,673	\$13,903
Normal Premium												\$13,903
Net Premium												\$13,903

## AUTOMOBILE LIABILITY

This coverage issued by the Trust extends and modifies the provision of the Agreement relating to Automobile Liability as set forth below:

It is agreed that as of the effective date hereof the Agreement is amended in the following particulars:

I. The **Coverage Agreement** is amended to include the following additional coverage:

In addition, the Trust will pay all sums which the Designated Member or any Member named in a lawsuit becomes legally obligated to pay as damages because of:

- A. Bodily Injury, or
- B. Property Damage

to which this coverage applies, caused by an Occurrence and arising out of the ownership, maintenance or use, including loading and unloading, of a covered automobile, including Newly Acquired Automobiles, which takes place during the period of this Agreement.

A Member must be acting within course and scope of employment for the Designated Member at the time of the Occurrence which gives rise to any claim or lawsuit brought against the Designated Member and/or Member.

II. The definition of **Member** in the Coverage Agreement's Definitions Section is amended to include the following additional persons for purposes of the coverage provided by this endorsement only:

- A. Any other person while using an Owned Automobile or a Hired Automobile with the permission of the Designated Member, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, and he is acting as the lawful agent of the Designated Member; but with respect to bodily injury or property damage arising out of the loading or unloading thereof, such other person shall be a Member only if he is:
  - 1. a lessee or borrower of the automobile, or
  - 2. an employee of the Designated Member or of such lessee or borrower:
- B. Any other person or organization but only with respect to his or its liability because of acts or omissions of a Member under the above.
- C. None of the following is a Member:
  - 1. the owner or lessee (of whom the Designated Member is a sub-lessee) of a hired automobile or the owner of a Non-owned Automobile or any agent or employee of any such owner or lessee;
  - 2. any person or organization, other than the Designated Member, with respect to:
    - a) a motor vehicle while used with any trailer owned or hired by such person or organization, or

- b) a trailer while used with any motor vehicle owned or hired by such person or organization;
- 3. any person while employed in or otherwise engaged in duties in connection with an automobile business, other than an Automobile Business operated by the Designated Member.

III. The **Definitions** section is amended to include the following additional definitions:

- A. **Automobile Business**, means the business or occupation of selling, repairing, servicing, storing, or parking automobiles;
- B. **Hired Automobile**, means an automobile not owned by the Designated Member which is used under contract on behalf of, or loaned to, the Designated Member, provided such automobile is not owned by or registered in the name of an employee or agent of the Designated Member who is granted an operating allowance of any sort for the use of such automobile;
- C. **Non-owned Automobile**, means an automobile which is neither an Owned Automobile nor a Hired Automobile;
- D. **Occurrence**, means an event or accident, including continuous or repeated exposure to conditions which result in bodily injury, property damage or personal injury and not arising from any form of intentional misconduct;
- E. **Owned Automobile**, means an automobile owned by the Designated Member;
- F. **Private Passenger Automobile**, means a four-wheel private passenger or station wagon type automobile;
- G. **Trailer**, includes a semi-trailer but does not include mobile equipment.
- H. **Newly Acquired Automobile**, means an automobile to which you obtain legal title after inception of the Coverage Agreement.

IV. The following additional conditions are included:

- A. **Excess Coverage - Hired and Non-owned Automobiles**. With respect to a hired automobile, or a Non-owned Automobile, this coverage shall be excess over any other valid and collectible insurance available to the Designated Member.

V. The **Limits of Liability** section is amended to include the following:

The above provisions regarding the limits of the Trust's liability apply regardless of the number of:

- A. Owned Automobiles;
- B. Automobiles involved in the Occurrence, or,
- C. Automobiles to which this Agreement and all endorsements thereto apply.

The limits of liability for Bodily Injury or Property Damage caused by an Occurrence arising out of the maintenance or use, including loading and unloading of any automobile leased by the Designated Member for a period of one (1) year or longer which takes place during the period of this Agreement, shall be not less than \$100,000/\$300,000 bodily injury liability

and \$50,000 property damage liability.

The Trust's limits of liability shall not be added or stacked by virtue of there being more than one automobile or Member to which this Agreement and all endorsements thereto might apply.

VI. The **Exclusions** section is amended as follows:

- A. Exclusion B, items 1. and 2., are deleted.
- B. Exclusion PP is deleted and replaced with the following:
  - PP. to any Claim Suit or liability arising from or otherwise related to the Designated Member's Law Enforcement Activities. However, this exclusion does not apply to Bodily Injury or Property Damage when a Claim or Suit alleges Bodily Injury or Property Damage that was caused by the Designated Member's Law Enforcement Activities and arose out of the ownership, maintenance or use, including loading and unloading, of a covered automobile.
- C. This Coverage Agreement does not apply to any liability and/or physical damage arising in whole, or in part out of
  - 1. any act or omission of a Member committed while acting outside the course and scope of his employment, or committed in bad faith with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety or property;
  - 2. any Member obtaining remuneration or financial gain to which the Member was not legally entitled;
  - 3. the willful violation of any federal, state or local law, ordinance or regulation committed by or with the knowledge or consent of any Member; or
  - 4. official misconduct by any Member;
  - 5. "bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants:"
    - a. That are, or that are contained in any property that is:
      - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "Automobile";
      - (2) Otherwise in the course of transit by or on behalf of the "Member"; or
      - (3) Being stored, disposed of, treated or processed in or upon the covered "Automobile";
    - b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "Member" for movement into or onto the covered "Automobile; or

- c. After the “pollutants” or any property in which the “pollutants” are contained are moved from the covered “Automobile” to the place where they are finally delivered, disposed of or abandoned by the “insured”.

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar “pollutants” that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered “Automobile” or its parts, if:

- (1) The “pollutants” escape, seep, migrate, or are discharged, dispersed or released directly from an “Automobile” part designed by its manufacturer to hold, store, receive or dispose of such “pollutants”; and
- (2) The “bodily injury”, “property damage” or “covered pollution cost or expense” does not arise out of the operation of any equipment listed in paragraph T of the definition of “mobile equipment”.

Paragraphs b. and c. above of this exclusion do not apply to “accidents” that occur away from premises owned by or rented to an “Member” with respect to “pollutants” not in or upon a covered “Automobile” if:

- (1) The “pollutants” or any property in which the “pollutants” are contained are upset, overturned or damaged as a result of the maintenance or use of a covered “Automobile”; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the “pollutants” is caused directly by such upset, overturn or damage.

VII. **Schedule of Covered Automobiles** attached.

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

**PERSONAL INJURY PROTECTION BENEFITS**

This endorsement issued by the Trust extends and modifies the provisions of the Agreement relating to Automobile Liability Personal Injury Protection Benefits as set forth below:

It is agreed that as of the effective date hereof the Agreement is amended in the following particulars:

- I. The Trust will pay, personal injury protection benefits, in accordance with the Florida Motor Vehicle No-Fault Law, as amended, to or for the benefit of the injured person as follows:
  - A. 80% of medical expenses (as defined herein and subject to the provisions of the Medical Expense Benefits Payment Schedule in Section VI. of this endorsement);
  - B. 60% of work loss;
  - C. replacement services expenses; and
  - D. a death benefit for accidental death-occurring as a result of an accident arising out of the ownership, maintenance or use of a motor vehicle and sustained by:
    1. a Member while occupying a motor vehicle or, while a pedestrian through being struck by a motor vehicle; or
    2. any other person while occupying the covered motor vehicle or, while a pedestrian, through being struck by the covered motor vehicle.

**II. EXCLUSIONS**

This endorsement does not apply:

- A. to a Member while occupying a motor vehicle of which the Member is the owner and which is not a covered motor vehicle under this endorsement;
- B. to any person while operating the covered motor vehicle without the express or implied consent of the Member;
- C. to any person, if such person's conduct contributed to his bodily injury under any of the following circumstances:
  1. causing bodily injury to himself intentionally;
  2. while committing a felony;
- D. to any pedestrian, other than the Member who is not a legal resident of the State of Florida;
- E. to any person, other than the Member, if such person is the owner of a motor vehicle with respect to which security is required under the Florida Motor Vehicle No-Fault Law, as amended;
- F. to any person, other than the Member who is entitled to personal injury protection benefits from the insurer of the owner or owners of a motor vehicle which is not a covered motor vehicle under this endorsement;
- G. to any person who sustains bodily injury while occupying a motor vehicle located for use as a residence or premises.

**III. LIMIT OF LIABILITY; APPLICATION OF DEDUCTIBLE; OTHER INSURANCE**

Regardless of the number of persons covered, policies or bonds applicable, vehicles involved or claims made, the total aggregate limit of personal injury protection benefits available under the Florida Motor Vehicle No-Fault Law, as amended, from all sources combined including this Agreement, for all medical expenses, work loss and replacement services by or on behalf of any one person who sustains bodily injury as the result of any

one accident shall not exceed \$10,000.00 per individual, subject to limitations as provided under the Florida Motor Vehicle No-Fault Law. Payment of a death benefit for accidental death as provided herein shall be in addition to the foregoing and shall not exceed \$5,000.00 per individual.

Any amount payable under this endorsement shall be reduced by the amount of benefits an injured person has recovered or is entitled to recover for the same elements of loss under the workers' compensation laws of any state or the federal Medicaid program.

If benefits have been received under the Florida Motor Vehicle No-Fault Law, as amended, from any insurer for the same items of loss and expenses for which benefits are available under this agreement, the Trust shall not be liable to make duplicate payments to or for the benefit of the injured person, but the insurer paying such benefits shall be entitled to recover from the Trust its equitable pro rata share of the benefits paid and expenses incurred in processing the claim.

The amount of any deductible stated in the schedule of this amendment shall be deducted from the total amount of all sums otherwise payable by the Trust with respect to all loss and expenses incurred by or on behalf of each person to whom the deductible applies and who sustains bodily injury as the result of any one accident, and if the total amount of such loss and expense exceeds such deductible, the total limit of benefits the Trust is obligated to pay shall then be the difference between such deductible amount and the applicable limit of the Trust's liability. Such deductible amount shall not be applied to any death benefit the Trust is obligated to pay.

If an entry in the schedule or declaration so indicates any amount payable under this Trust to the Member shall be reduced by any benefits payable by the Federal Government to active or retired military personnel and their dependent relatives.

#### IV. DEFINITIONS

When used in reference to this Section: "bodily injury" means bodily injury, sickness, or disease, including death at any time resulting there from;

"medical expense" means reasonable expenses for medically necessary medical, surgical, x-ray, dental, ambulance, hospital, professional nursing and rehabilitative services for prosthetic devices and for necessary remedial treatment and any other services recognized and permitted under Florida Motor Vehicle No-Fault Law, and subject to the Conditions at Section VI.F. below.

"motor vehicle" means any self-propelled vehicle with four or more wheels which is a type both designed and required to be licensed for use on the highways of Florida and any trailer or semi-trailer designed for use with such vehicle.

A motor vehicle does not include:

- A. a mobile home; or
- B. any motor vehicle which is used in mass transit, other than public school transportation, and designed to transport more than five passengers exclusive of the operator of the motor vehicle and which is owned by a municipality, a transit or public school transportation authority, or a political subdivision of the state;
- C. except for the purposes of FS 627.733, any motor vehicle of any type used as a taxi cab or limousine.

"occupying" means in or upon or entering into or alighting from;

"covered motor vehicle" means a motor vehicle:

- A. of which the Member is the owner, and
- B. with respect to which security is required to be maintained under the Florida Motor Vehicle No-Fault Law, and
- C. for which a premium is charged, or which is a trailer, other than a mobile home, designed for use with a motor vehicle.

"pedestrian" means a person while not an occupant of any self-propelled vehicle;

"owner" means a person or organization who holds the legal title to a motor vehicle, and also includes:

- A. a debtor having the right to possession, in the event a motor vehicle is the subject of a security agreement, and,
- B. a lessee having the right to possession, in the event a motor vehicle is the subject of a lease with option to purchase and such lease agreement is for a period of six months or more, and,
- C. a lessee having the right to possession, in the event a motor vehicle is the subject of a lease without option to purchase, and such lease agreement is for a period of six months or more, and the lease agreement provides that the lessee shall be responsible for securing insurance;

"work loss" means with respect to the period of disability of the injured person, any loss of income and earning capacity from inability to work proximately caused by the injury sustained by the injured person;

"replacement services expenses" means with respect to the period of disability of the injured person all expenses reasonably incurred in obtaining from others ordinary and necessary services in lieu of those that, but for such injury, the injured person would have performed without income for the benefit of his household.

V. **COVERAGE PERIOD; TERRITORY**

This coverage under this Section applies only to accidents which occur during the period of this Agreement.

- A. in the State of Florida;
- B. as respects the Member, while occupying the covered motor vehicle outside the State of Florida but within the United States of America, its territories or possessions or Canada;

VI. **CONDITIONS**

- A. **Notice.** In the event of an accident, written notice of the loss must be given to the Trust or any of its authorized agents as soon as practicable. If any injured person or his legal representatives shall institute legal action to recover damages for bodily injury against a third party, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded as soon as practicable to the Trust by such injured person or his legal representative.
- B. **Action Against the Trust.** No action shall lie against the Trust unless, as a condition precedent thereto, there shall have been full compliance with all terms of this endorsement, not until 30 days after the required notice of accident and reasonable proof of claim has been filed with the Trust.
- C. **Proof of Claim; Medical Reports and Examinations; Payments of Claim Withheld.** As soon as practicable the person making the claim shall give to the Trust written proof of claim, under oath if required, which may include full

particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist the Trust in determining the amount due and payable. In addition, the person making the claim shall submit to an examination under oath if requested by the Trust. Such person shall submit to mental or physical examinations at the Trust's expense when and as often as the Trust may reasonably require. A copy of the medical report shall be forwarded to such person if requested. If the person unreasonably refuses to submit to a mental or physical examination or an examination under oath, the Trust will not be liable for subsequent personal injury protection benefits. Whenever a person making a claim is charged with committing a felony, the Trust shall withhold benefits until at the trial level the prosecution makes a formal entry on the record that it will not prosecute the case against the person, the charge is dismissed or the person is acquitted.

- D. **Reimbursement and Subrogation**, unless prohibited by the Florida Motor Vehicle No-Fault Law, as amended, and in the event of payment to or for the benefit of any injured person under this endorsement;
1. the Trust shall be reimbursed to the extent of such payment, exclusive of reasonable attorney's fees and other reasonable expenses, out of the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury because of which such payment is made and the Trust shall have a lien on such proceeds to such extent;
  2. the Trust is subrogated to the rights of the person to whom or for whose benefit such payments were made to the extent of such payments. Such person shall execute and deliver the instruments and papers and do whatever else is necessary to secure such rights. Such person shall do nothing after loss to prejudice such rights.
  3. the Trust providing personal injury protection benefits on a private passenger motor vehicle, as defined in the Florida Motor Vehicle No-Fault Law, shall be entitled to reimbursement to the extent of the payment of personal injury protection benefits from the owner or insurer of the owner of a commercial motor vehicle, as defined in the Florida Motor Vehicle No-Fault Law, if such injured person sustained the injury while occupying, or while a pedestrian through being struck by, such commercial motor vehicle.
- E. **Special Provision for Rented or Leased Vehicles.** Notwithstanding any provision of this coverage to the contrary, if a person is injured while occupying, or through being struck by, a motor vehicle rented or leased under a rental or lease agreement which does not specify otherwise in bold type on the face of such agreement, the personal injury protection coverage afforded under the lessor's policy shall be primary.
- F. **Medical Expense Benefit Payment Schedule.**
1. The FMIT hereby gives notice that its payment of personal injury protection medical expense benefits may be limited to the Medicare fee payment schedule permitted by the Florida Motor Vehicle No-Fault Law. The applicable Medicare fee payment schedule or payment limitation under Medicare is the fee schedule or payment limitation in effect on March 1 of the year in which the services, supplies, or care is rendered and for the area in which such services, supplies, or care is rendered, and the applicable fee schedule or payment limitation applies throughout the remainder of that year, notwithstanding any subsequent change made to the fee schedule or payment limitation, except that it may not be less than

the allowable amount under the applicable schedule of Medicare Part B for 2007 for medical services, supplies, and care subject to Medicare Part B.

2. The FMIT shall pay for reasonable, related and necessary medical service and supply expenses due to a motor vehicle accident if the Member receiving such treatment or his or her guardian has countersigned the properly completed invoice, bill, or claim form upon which such charges are to be paid for, as having actually been rendered, to the best knowledge of the Member or his or her guardian. However, such a charge may not exceed the amount the medical service or supply provider customarily charges for like services or supplies. In determining whether a charge for a particular service, treatment, or otherwise is reasonable, FMIT may consider evidence of usual and customary charges and payments accepted by the provider involved in the dispute, reimbursement levels in the community where services were rendered and various federal and state medical fee schedules applicable to motor vehicle and other insurance coverages, and other information relevant to the reasonableness of the reimbursement for the service, treatment, or supply.
3. Only if an insured receives initial services and care within 14 days after the motor vehicle accident, the FMIT will pay 80% of reasonable medical expenses for:
  - a. Medical, surgical, X-ray, dental, ambulance, hospital, professional nursing and rehabilitative services; and
  - b. Prosthetic devices.

However, medical expenses do not include massage or acupuncture regardless of the person, entity, or licensee providing the massage or acupuncture.

Medical expenses shall only be reimbursed for:

- a. Initial services and care that are:
  - (1) Lawfully provided, supervised, ordered, or prescribed by a licensed physician, dentist, or chiropractic physician;
  - (2) Provided in a hospital or in a facility that owns, or is wholly owned by a hospital; or
  - (3) Provided by a person or entity licensed to provide emergency transportation and treatment;

as authorized by the Florida Motor Vehicle No-Fault Law.

- b. Follow-up services and care referred by a licensed health care provider described in Paragraphs a.(1), (2) and (3) consistent with the underlying medical diagnosis rendered pursuant to Paragraph F.3., if provided, supervised, ordered or prescribed only by a licensed:
  - (1) Physician, osteopathic physician, chiropractic physician, or dentist; or

- (2) Physician assistant or advanced registered nurse practitioner, under the supervision of such physician, osteopathic physician, chiropractic physician, or dentist;

as authorized under the Florida Motor Vehicle No-Fault Law.

Follow-up services and care may also be provided by:

- (3) A licensed hospital or ambulatory surgical center;
- (4) An entity wholly owned by one or more licensed physicians, osteopathic physicians, chiropractic physician, or dentists; or by such practitioners and the spouse, parent, child, or sibling of such practitioners;
- (5) An entity that owns or is wholly owned, directly or indirectly, by a hospital or hospitals;
- (6) A licensed physical therapist, based upon a referral by a provider described in Paragraph F.3.; or
- (7) A health care clinic licensed under the Florida Health Care Clinic Act:
  - (a) Which is accredited by the Joint Commission on Accreditation of Healthcare Organizations, the American Osteopathic Association, the Commission on Accreditation of Rehabilitation Facilities, or the Accreditation Association for Ambulatory Health Care, Inc.; or
  - (b) Which:
    - (i) Has a licensed medical director;
    - (ii) Has been continuously licensed for more than 3 years or is a publicly traded corporation that issues securities traded on an exchange registered with the United States Securities and Exchange Commission as a national securities exchange; and
    - (iii) Provided at least four of the following medical specialties:
      - i. General medicine;
      - ii. Radiography;
      - iii. Orthopedic medicine;
      - iv. Physical medicine;
      - v. Physical therapy;

- vi. Physical rehabilitation;
- vii. Prescribing or dispensing outpatient prescription medication; or
- viii. Laboratory services;

as authorized under the Florida Motor Vehicle No-Fault Law.

- 4. The FMIT may limit its payment or reimbursement of medical expenses to 80 percent of the following schedule of maximum charges:
  - a. For emergency transport and treatment by providers licensed under chapter 401, 200 percent of Medicare.
  - b. For emergency services and care provided by a hospital licensed under chapter 395, 75 percent of the hospital's usual and customary charges.
  - c. For emergency services and care as defined by s. 395.002 provided in a facility licensed under chapter 395 rendered by a physician or dentist, and related hospital inpatient services rendered by a physician or dentist, the usual and customary charges in the community.
  - d. For hospital inpatient services, other than emergency services and care, 200 percent of the Medicare Part A prospective payment applicable to the specific hospital providing the inpatient services.
  - e. For hospital outpatient services, other than emergency services and care, 200 percent of the Medicare Part A Ambulatory Payment Classification for the specific hospital providing the outpatient services.
  - f. For all other medical services, supplies, and care, 200 percent of the allowable amount under:
    - (I) The participating physicians fee schedule of Medicare Part B, except as provided in sub-sub-subparagraphs (II) and (III).
    - (II) Medicare Part B, in the case of services, supplies, and care provided by ambulatory surgical centers and clinical laboratories.
    - (III) The Durable Medical Equipment Prosthetics/Orthotics and Supplies fee schedule of Medicare Part B, in the case of durable medical equipment.

However, if such services, supplies, or care is not reimbursable under Medicare Part B, as provided above, FMIT may limit reimbursement to 80 percent of the maximum reimbursable allowance under workers' compensation, as determined under s. 440.13 and rules adopted

thereunder which are in effect at the time such services, supplies, or care is provided. Services, supplies, or care that is not reimbursable under Medicare or workers' compensation is not required to be reimbursed by FMIT.

## **AUTOMOBILE PHYSICAL DAMAGE COVERAGE FORM**

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

Throughout the Agreement the words "you" and "your" refer to the Member shown in the Declarations. The words "we," "us" and "our" refer to the Trust providing this insurance.

### **A. COVERAGE**

The Trust will pay for direct physical loss or damage to a covered automobile as described in the Declarations caused by or resulting from any covered cause of loss.

#### **1. Covered Property**

Covered property, as used in this coverage part, means any "Automobile" described in the schedule which you own, hire, borrow, or lease (refer to schedule).

#### **2. Newly Acquired Automobile**

Newly acquired automobile means an Automobile in which you acquire an ownership or insurable interest after inception of the Coverage Agreement. As a condition of this coverage's application to any newly acquired Automobile, additional premium will be due and calculated on a pro-rata basis from the date you acquire the new Automobile. The additional premium will be due immediately if the total insured value applicable to the newly acquired Automobile is \$100,000 or more; or, the additional premium will be due October 1 of the following year if the total insured value applicable to the newly acquired Automobile is less than \$100,000.

#### **3. Covered Causes of Loss**

##### **a. Comprehensive Coverage**

From any cause except the covered automobile's collision with another object or its overturn.

##### **b. Collision Coverage**

Caused by the covered automobile's collision with another object or its overturn.

##### **c. Specified Causes of Loss Coverage. Caused by:**

1. Fire, lightning or explosion;
2. Theft;
3. The sinking, burning, collision, or derailment of any conveyance transporting the covered "Automobile"; or
4. Mischief or vandalism.

### **B. EXCLUSIONS**

1. The Trust will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Wear and tear, freezing, mechanical or electrical breakdown unless caused by other loss covered by this endorsement.
- b. Blowouts, punctures or other road damage to tires unless caused by other loss covered by this endorsement.
- c. Loss to tape decks or other sound reproducing equipment not permanently installed in a covered Automobile.
- d. Loss to tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
- e. Loss to any sound receiving or transmitting equipment designed for use as a two-way mobile radio or telephone or scanning monitor or radar transmitting or receiving device, including its antennas and other accessories, unless permanently installed in the automobile or scheduled elsewhere under the Agreement; and if scheduled, coverage is only to the extent expressed in the schedule and subject to all terms and conditions of the corresponding coverage form.
- f. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment, unless permanently installed in the automobile or scheduled elsewhere under the Agreement; and if scheduled, coverage is only to the extent expressed in the schedule and subject to all terms and conditions of the corresponding coverage form.
- g. Any other mobile equipment, device or other apparatus not permanently affixed to the covered automobile, unless scheduled elsewhere under the Agreement; and if scheduled, coverage is only to the extent expressed in the schedule and subject to all terms and conditions of the corresponding coverage form.

**C. DEDUCTIBLE**

The Trust will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible shown in the schedule or in the Declarations. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

**D. LOSS CONDITIONS**

The following conditions apply in addition to the common Agreement conditions.

**1. Duties in the event of loss or damage**

- a. Promptly notify the Trust or the Service Agent of any accident or loss and report how, when and where the accident or loss happened.
- b. Do what is reasonably necessary after a loss to protect the covered automobile from further loss.
- c. Submit a proof of loss when required by the Trust.

**2. Inspection and Appraisal**

- a. Permit the Trust to inspect and appraise the damaged property BEFORE its repair or disposition. If there is a failure to agree as to the amount of loss, either party may further demand an appraisal of the loss. In such event, both parties may

agree on one competent appraiser to make the final decision or each party may select his own appraiser and bear his own cost of appraisal, and a competent and disinterested umpire will be selected to make the final decision.

**3. Loss Payment**

- a. At the Trust's option, it may:
  - 1. Pay for, repair, or replace damaged or stolen property; or
  - 2. For theft, return the stolen property, at its expense. The Trust will pay for any damage that results to the automobile from the theft.
- b. The Trust will pay the lesser of the following amounts:
  - 1. The actual cash value of the damaged or stolen property at the time of loss.
  - 2. The cost of repairing or replacing the damaged or stolen property with other of like kind or quality.
- c. For each covered automobile, the Trust's obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Automobile schedule.

**4. Other Insurance**

- a. For any covered automobile owned or leased, this Agreement is primary.
- b. When this Agreement and other policies covered on the same basis, either excess or primary, the Trust will pay only its share. Its share is the proportion that the limit of this Agreement bears to the total of the limits of this Agreement and all the policies covering on the same basis.

**5. Right to Recover**

- a. If the Trust makes any payment, it shall be subrogated and have the right to enforce its subrogation rights against any other party who caused the loss or damage. The Member, its agents and employees are required to cooperate with the Trust in the enforcement of its rights of collection against the party or parties causing the loss and shall do nothing to jeopardize the rights of the Trust without the Trust's prior consent and authorization.

**E. COVERAGE EXTENSIONS**

- 1. **Limited Replacement Cost:** We will reimburse the Designed Member for an owned and scheduled private passenger vehicle, pickup truck or sport utility vehicle that is involved in a covered total loss if the vehicle has less than 18,000 miles and is within the first 12 months of being scheduled at the time of the total loss.
- 2. **Member's Personal Effects:** In the event of a covered loss, we will pay a maximum of \$1,000.00 for Member's personal effects while in a scheduled private passenger vehicle, pickup truck or sport utility vehicle owned by the Designated Member. The covered vehicle must show evidence of forced entry when the occurrence is caused by theft and must be reported to a law enforcement agency.

3. Auto Lease Coverage: In the event of a covered total loss to a covered Automobile shown in the schedule, we will pay any unpaid amount on the lease of your covered Automobile less:
- 1) the amount paid under Part D of the agreement; and
  - 2) any:
    - a. overdue lease payments at the time of the loss;
    - b. financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
    - c. security deposits not refunded by a lessor;
    - d. costs for extended warranties, Credit Life insurance, Health, Accident or Disability insurance purchased with the lease; and
    - e. carry-over balances from previous leases.

The most we will pay for any one occurrence is up to \$5,000.00. The most we will pay in any Trust year is up to \$10,000.00.

4. Towing: We will pay a maximum of \$100.00 per occurrence for towing and labor cost incurred each time a scheduled Automobile is disabled. However, the labor must be performed at the place of disablement.
5. Hired Automobile Physical Damage: For Members who purchase Automobile Physical Damage, a limit of \$50,000.00 per rental private passenger vehicle is included subject to the greater of a \$2,500.00 deductible or the highest deductible described on the Automobile Schedule. The most we will pay in any Trust Year is \$100,000.00.
6. Accidental Inflation of Airbags: The most we will pay for any one occurrence is \$1,500.00 for any and all damages or repair.

#### F. DEFINITIONS

**Automobile business**, means the business or occupation of selling, repairing, servicing, storing, or parking automobiles.

**Hired Automobile**, means an automobile not owned by the Designated Member which is used under contract on behalf of, or loaned to, the Designated Member, provided such automobile is not owned by or registered in the name of an employee or agent of the Designated Member who is granted an operating allowance of any sort for the use of any such automobile.

**Owned Automobile**, means an automobile owned by the Designated Member.

**Private Passenger Automobile**, means a four-wheel private passenger or station wagon type automobile.

**Trailer**, includes a semi-trailer but does not include mobile equipment, unless scheduled.

**Loss**, means direct and accidental damage or loss.

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

**RENTAL REIMBURSEMENT COVERAGE**

This endorsement issued by the Trust extends and modifies the provisions of the Agreement relating to Automobile Physical Damage as set forth below.

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

- A. This endorsement provides only those coverages where a premium is shown in the Automobile Physical Damage portion of the Schedule. It applies only to a covered "auto" described and designated in the Schedule.
- B. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductibles apply to this coverage.
- C. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:
  - 1. Thirty (30) days.
  - or
  - 2. The number of days reasonably required to repair or replace the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you.
- D. Our payment is limited to the lesser of the following amounts:
  - 1. Necessary and actual expenses incurred that relate directly to the "loss" of the covered auto.
  - 2. The maximum payment stated applicable to "any one day" or "any one period" for each occurrence.
- E. This coverage does not apply while there are spare or reserve "autos" available to you for use in your operations.

Maximum Amount Payable: \$50.00 per day per covered automobile per occurrence, or five thousand dollars (\$5,000.00) in the aggregate for the Fund year in which the loss(es) occur.

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

**SPECIFIC EXCESS ENDORSEMENT - AUTOMOBILE LIABILITY**

This endorsement, when issued by the Florida Municipal Insurance Trust, does not in any way modify the provisions of the Coverage Agreement. It does extend the monetary limits of liability, as stated in the Limits of Liability in the Declarations, as set forth below:

It is agreed that the specific limits of liability are \$ 1,000,000 (combined single limit) per occurrence, solely for any liability resulting from entry of a claims bill pursuant to Section 768.28(5) Florida Statutes or liability imposed pursuant to Federal Law, or to any liability resulting from actions taken outside of the State of Florida where it is determined by a court of competent jurisdiction that the liability limitations contained in Section 768.28(5), Florida Statutes, are inapplicable, if such liability is covered by the Agreement. The limits provided herein are inclusive of the \$200,000 each person and \$300,000 each occurrence liability limitations contained in Section 768.28 (5), Florida Statutes, but in no way exceed \$ 1,000,000 (combined single limit) per occurrence.

Exclusion Y is amended as follows:

To any damages imposed by an act of the legislature, except for claims bills passed by the legislature pursuant to Section 768.28(5), Florida Statutes, against a Member, for damages covered under the terms of this Agreement.

**THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ CAREFULLY.**

**EMPLOYER-PROVIDED VEHICLES – AUTOMOBILE LIABILITY**

It is agreed that as of the effective date of this Endorsement, the Agreement is amended in the following particulars:

- I. Automobile Liability Coverage shall include the following additional coverage as respects scheduled vehicles assigned to employees of Designated Members provided the Designated Member has implemented a policy governing use of its vehicles by its employees, any such vehicle has been specifically identified at least by vehicle identification number and the identity of the employee to whom the vehicle has been assigned is recorded.

Coverage is provided for Bodily Injury, Property Damage, Personal Injury Protection, if applicable, and Uninsured Motorists (where applicable).

The limit of liability for this coverage is same as described on the Automobile Liability and Physical Damage Declarations Page. The Personal Injury Protection, if applicable, and Uninsured Motorists limit, where applicable, is the Personal Injury Protection limits and Uninsured Motorists limits, respectively, shown on the Automobile Liability and Physical Damage Declaration Page.

- II. For purposes of this Endorsement, the Agreement is further amended as follows:

Section I regarding the Coverage section of the Agreement, which provides:

A Member must be acting within the scope of vehicular use authorized by the Designated Member at the time of the occurrence which gives rise to any claim or lawsuit brought against the Designated Member and/or Member.

Section VI regarding the Exclusion section of the Agreement which provides:

- B. This Coverage Agreement does not apply to any liability arising in whole, or in part out of:
  1. any act or omission of a Member committed while acting outside the scope of use authorized by the Designated Member, or committed in bad faith with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety or property.

**FLORIDA MUNICIPAL INSURANCE TRUST  
WORKERS COMPENSATION AND EMPLOYERS LIABILITY COVERAGE AGREEMENT  
DECLARATIONS**

**I. DESIGNATED MEMBER:**

**Agreement No.:** FMIT #1028

Village of Palmetto Bay

**II. GOVERNMENT DESCRIPTION**

Municipality

**III. COVERAGE PERIOD**

From 10/01/2019 to 10/01/2020 12:01 A.M. Standard Time at the address of the Designated Member

**IV. A. Workers Compensation Insurance:** Part One of the Agreement applies to the Workers Compensation Law of the state of Florida:

**B. Employers Liability Insurance:** Part Two of the Agreement applies to work in each state listed in item IV.A. The limits of our liability under Part Two are:

Bodily Injury by Accident \$1,000,000 each accident  
 Bodily Injury by Disease \$1,000,000 policy limit  
 Bodily Injury by Disease \$1,000,000 each employee

**C. Other States Insurance:** if any

**D. This Agreement includes these endorsements and schedules:** See Schedule D

**V. ESTIMATED ANNUAL PREMIUM**

Florida Municipal Insurance Trust (FMIT)

Normal Premium	Expense Constant	Incentive Credit	Net Premium
\$91,824	\$200	\$(27,604)	\$64,420

**Florida League of Cities Sponsored Insurance Programs Since 1977**

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

**FMIT WORKERS COMPENSATION AND EMPLOYERS LIABILITY COVERAGES**

October 1, 2019 - October 1, 2020 Scheduled Coverage Forms List

Village of Palmetto Bay, FMIT #1028

**Schedule D**

Form #	Description
FMIT COND 1019	Conditions of Coverage
FMIT WC EL 1015	Coverage Agreement - Workers Compensation and Employers Liability
FMIT WC EMF 1016	Experience Rating Modification Factor Endorsement
WC 00 00 01A 1002	Workers Compensation Schedule
WC 09 04 03 B 0115	Florida Terrorism Risk Insurance Extension Act Endorsement
WC 00 03 11 A	Voluntary Compensation and Employers Liability Coverage Endorsement

**FLORIDA MUNICIPAL INSURANCE TRUST  
COVERAGE AGREEMENT  
WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

- I. In consideration of the payment of the contributions and the covenants and agreements set forth in the COVERAGE AGREEMENTS, in reliance upon the statements of the APPLICATION, the DECLARATIONS, and all terms, conditions, limits and other provisions of the COVERAGE AGREEMENT, the Trust agrees with the Member as to the following:

**LIMITS OF LIABILITY**

Regardless of the number of (1) Members under this Agreement, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of bodily injury, property damage or personal injury, the liability of the Trust is limited as follows:

The total liability of the Trust applicable to "each person" under all coverages and endorsements for all damages, including but not limited to damage awards for derivative claims, taxable costs, attorneys fees, and prejudgment or post-judgment interest, sustained by one person or organization as the result of any one occurrence shall not exceed the limit of liability stated in the Declarations and endorsements thereto.

The total liability of the Trust applicable to "each occurrence" under all coverages and endorsements for all damages, including but not limited to damage awards for derivative claims, taxable costs, attorneys fees, and prejudgment or post-judgment interest, sustained by more than one person or organization as the result of any one occurrence shall not exceed the limit of liability stated in the Declarations and endorsements thereto.

For the purpose of determining the limit of the Trust's liability, all damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

**DEFENSE AND SETTLEMENT**

In addition to the limits of liability the Trust will settle or defend at its own expense, as it considers appropriate, any claim or suit demanding money damages covered by this Agreement. The Trust will defend any suit against a Member which alleges a claim for money damages covered by this Agreement even if such suit is groundless, false or fraudulent. However, the Trust has no duty to defend a Member in any action which on its face alleges facts excluded or not covered by this Agreement.

In the event a suit or other action contains allegations which allege damages which the Trust has a duty to defend and other allegations which allege damages or other relief that the Trust does not have a duty to defend, the Trust will defend all allegations subject to the terms, conditions, limits of liability and exclusions of the Agreement; however, undertaking such defense shall not obligate the Trust to pay any judgments, settlements or awards which a Member becomes legally obligated to pay for allegations to which coverage does not apply. The Trust's duty to defend ends when applicable Limits of Insurance have been exhausted.

## DEFINITIONS

**Designated Member**, means the entity, organization or constitutional officer named in Item I. of the Declarations of this Agreement; Designated Member does not include employees or agents of that entity or organization.

**Member**, as used herein means:

1. the Designated Member;
2. while acting within the scope of his employment, any officer, volunteer, servant, or employee of the Designated Member, including elected and appointed officials, and members of Boards or Commissions.

## **II. COVERAGE A - WORKERS COMPENSATION**

- A. The Member and the Trust agree that the Trust will pay any sum a Member becomes legally obligated to pay under the workers compensation laws of the state of Florida, including Employers liability as discussed within Coverage B attached hereto for accidents which occur during the period of this Agreement; and the Trust further agrees to pay all administration assessments as may be required in accordance with Florida Law;
- B. The Trust is to defend in the name of and on behalf of the Members any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the purview of the Florida Workers Compensation Law or on the basis of Employers liability, including suits or other proceedings alleging such injuries and demanding damages or compensation therefore, although such suits, other proceedings, allegations or demands are wholly groundless, false, or fraudulent, and to pay all costs taxed against Members in any legal proceeding defended by the Members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense;
- C. Liability of the Trust to the employees of any employer is specifically limited to such obligations as are imposed by the Florida law against the employer for workers compensation and/or employers liability as provided in Coverage B. The Trust's liability is further limited to only the obligations it assumes under this Agreement;
- D. The Member agrees the Trust shall not be liable for any additional compensation imposed by Section 440.54, and Section 440.15 (11), Florida Statutes; and
- E. The Member agrees that the Board is authorized to set aside from the contributions and monies collected a reasonable sum for the operating or administrative expenses of the Trust. All remaining funds collected during any one fiscal year of the Trust shall be set aside and shall be used only for the following purposes: payment of a fee for the administrator and claims agent for said Trust; payment for claims, expenses, payments of compensation to employees covered by this contract, including but not limited to settlements, awards, judgements, legal fees, and costs in contested cases; payment of administrative and other assessments as required by Florida law; payment of cost of all bonds; actuarial, and auditing expenses required of the Trust or its agency or employees under Florida law; or other reasonable operating costs or expenses necessary for the administration of the Trust.

- F. Other States Coverage: The Trust will reimburse the Member for the benefits required by the Workers Compensation law of that state. If the Member has worked on the effective date of this Agreement in any state other than Florida, coverage will not be afforded for that state unless the Trust is notified within thirty (30) days.
- G. This agreement requires you to release certain employment and wage information maintained by the State of Florida pursuant to federal and state unemployment compensation laws except to the extent prohibited or limited under federal law. By entering into this agreement, you consent to the release of the information. We will safeguard the information and maintain its confidentiality. We will limit use of the information to verifying compliance with the terms of the agreement.

### III. COVERAGE B - EMPLOYERS LIABILITY AGREEMENT

- A. The Member and Trust agree the following definitions apply to the Employers Liability Agreement unless modified or excluded:
  - 1. "Bodily Injury" means bodily injury, disability, disfiguration, sickness or disease or death resulting there from sustained by any person, and any loss, injury or damages sustained by any other person because of bodily injury, which occurs during the period of this Agreement;
  - 2. "Designated Member" means the entity or organization named in this application. Designated Member does not include employees or agents of the entity or organization; and
  - 3. The term "Member" as used in this part means:
    - (a) The Designated Member;
    - (b) While acting within the scope of his employment, any officer, employee, or volunteer of the Designated Member;
  - 4. "Occurrence", means an event or accident, including continuous or repeated exposure to conditions which result in bodily injury, property damage or personal injury and not arising from any form of intentional misconduct.
- B. The Member and the Trust agree the Trust will pay all sums which a Member becomes legally obligated to pay as damages because of bodily injury to an employee of the Designated Member arising out of and in the course of the injured employee's employment by the Designated Member, provided said bodily injury is covered by this Employers Liability Agreement;
- C. The Member and the Trust agree the Trust will pay damages only to the extent where recovery is permitted by Chapter 440.11, Florida Statutes, and Section 768.28, Florida Statutes, including damages:
  - 1. For which a Member becomes liable to a third party by reason of claim or suit against the Member by the third party to recover the damages claimed against the Member as result of injury to an employee of the Designated Member;
  - 2. For care of loss and loss of services; and

3. For consequential bodily injury to spouse, child, parent, brother, or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by the Member;
- D. In addition to the limits of liability the Trust will settle or defend at its own expense, as it considers appropriate, any claim or suit demanding money damages covered by this Agreement. However, the Trust has no duty to defend a Member in any action, which on its face alleges facts excluded or not covered by this Agreement;
- E. The Member and the Trust agree regardless of the number of (1) Members under this Agreement, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of bodily injury or property damage or personal injury, the liability of the Trust is limited as follows:
1. The total liability of the Trust under all coverages and endorsements for all damages, including, but not limited to, damages for derivative claims, or taxable costs, attorneys fees, and prejudgment interest or post-judgment interest, sustained by one person or organization as the result of any one occurrence shall not exceed \$1,000,000 bodily injury by accident per accident, \$1,000,000 bodily injury by disease per disease, and \$1,000,000 bodily injury by disease aggregate limits;
  2. The total aggregate liability of the Trust under all coverages for all damages, including, but not limited to damages for derivative claims, or taxable costs, attorneys' fees, and prejudgment interest or post-judgment interest sustained by more than one person or organization as the result of any one occurrence shall not exceed the limit of liability as stated herein as applicable to "each accident or disease;" and
  3. For the purpose of determining the limit of the Trust's liability, all damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence;
- F. The Member and the Trust agree that no liability is afforded by the Trust as follows:
1. To liability assumed by a Member under any contract or agreement;
  2. To any liability arising in whole, or in part out of:
    - (a) Any act or omission of a Member committed while acting outside the course and scope of his employment, or committed in bad faith with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety or property;
    - (b) Any Member obtaining remuneration or financial gain to which the Member was not legally entitled;
    - (c) The willful violation of any federal, state or local law, ordinance or regulation committed by or with the knowledge or consent of any Member; or
    - (d) Malfeasance by any Member;

Except that any fact pertaining to any one Member shall not be imputed to any other Member for the purpose of determining the application of these exclusions;

3. To any liability or injury, sickness, disease, death, or destruction due to the rendering of or failure to render any professional service by any doctor, surgeon, dentist, nurse or agents or employee of a Designated Member;
4. To any liability for punitive or exemplary damages; or any non-compensatory damages or penalties imposed pursuant to any federal or state anti-trust, civil rights, anti-discrimination, or racketeer influence and corrupt organization (RICO) laws;
5. To any damages imposed by act of the Legislature;
6. To bodily injury or property damage for which the Member or his indemnitee may be held liable;
  - (a) As a person or organization engaged in the business or manufacturing, distributing, selling or serving alcoholic beverages, or
  - (b) If not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed:
    - i. By, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverages, or
    - ii. By reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person.
7. To any liability arising out of any actual or alleged sexual action, abuse, communicable disease or employment related claim, defined for purposes of this exclusion as:
  - (a) Sexual action includes, but is not limited to, any verbal or non-verbal communication, behavior or conduct with sexual connotations or purposes, whether for sexual gratification, discrimination, intimidation, coercion or other purpose, and regardless of whether such action is alleged to be intentional or negligent;
  - (b) Abuse shall include, but is not limited to, the negligent or intentional infliction of physical, emotional or psychological injury or harm to any person or persons in the care, custody, or control of any Member;
  - (c) Communicable disease includes, but is not limited to, Acquired Immune Deficiency Syndrome (AIDS) and any venereal disease; and
  - (d) Employment related claim includes, but is not limited to, claims, accusations or charges of negligent or intentional hiring, placement, training or supervision arising from or related to actual

or alleged sexual action, or any other type of actual or alleged abuse, or a communicable disease;

8. To any liability for injury, loss or damage sustained by any person or entities as a result of exposure to asbestosis or any other disease including mesothelioma and cancer related to asbestos exposure;
9. Bodily injury which is intentionally caused or aggravated by the Member or Members. Coverage is also excluded for any claim alleging gross negligence. Further, cover is also excluded for claims in which it is alleged that the Designated Member or a fellow employee acted in such a manner that it was substantially certain that injury or death would result;
10. Bodily injury to any employee while employed in violation of the law or engaged in any conduct in violation of law with the actual knowledge of any of the executive officers of the Designated Member; and
11. To any obligation imposed by a workers compensation, occupational disease, unemployment compensation or disability benefits law or any similar law.
12. Bodily injury intentionally caused or aggravated by you or which is the result of your engaging in conduct equivalent to an intentional tort, however defined, or other tortuous conduct, such that you lose your immunity from civil liability under the workers compensation laws.

**THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ CAREFULLY**  
**EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT**  
**WORKERS' COMPENSATION**

It is agreed the Designated Member's coverage provided by the Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

The premium charge calculated for the Coverage Agreement will be adjusted by an experience rating modification factor ("Mod Factor"). If the Mod Factor was not available when the policy was issued, the Mod Factor included at the time of coverage proposal or Coverage Agreement inception, if any, was an estimate.

If a different Mod Factor is later determined to be proper for your workers' compensation coverage, we will apply the proper Mod Factor and any resulting premium change will become a required condition of your Coverage Agreement, applicable according to the following terms:

1. If the Mod Factor adjustment is an increase over the initial Mod Factor, it will apply as of the policy effective date and your premium will be calculated:
  - a. Retroactively to the effective date of the policy or to the anniversary rating date if the adjustment is within the first 90 days of the policy period or the anniversary rating date; or
  - b. On a pro rata basis if the adjustment is more than 90 days after the effective date of the policy or the anniversary rating date;
2. The Mod Factor adjustment will be retroactive to the effective date of the policy period when:
  - a. The change in experience modification is the result of a revision in your classifications; or
  - b. The delay in the calculation of the experience modification is due to your failure to make available all your records for examination and audit as provided in the Coverage Agreement; or
4. If the Mod Factor adjustment is a decrease from the initial Mod Factor, it will apply retroactively to the policy effective date or the anniversary rating date if different from the policy effective date and any resulting premium credit shall be applied accordingly.
5. The due date for any retrospective premium/contribution determined pursuant to this endorsement, any audit or otherwise shall be at the date and time specified in the billing notice issued by FMIT.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY EXTENSION OF INFORMATION PAGE ITEM 4. CONTINUED		Policy No.	FMIT #1028		
		Page No.	1		
CLASSIFICATION OF OPERATIONS	CODE NO.	Estimated Total Annual Remuneration	Rates Per \$100 of Remuneration	Estimated Annual Premiums	
				Subject to Modification	All Other
FL-9 Intrastate I.D.: 091419017 LOC. 1 Employees: 99 NAICS: 921190 Total Payroll: 4,771,490 FL From 10/01/2019 To 10/01/2020					
STREET or Road MAINTENANCE OR BEAUTIFICATION & Drivers	5509	372,308	9.85000	36,672	
BUS CO: ALL OTHER EMPLOYEES & Drivers	7382	63,865	5.05000	3,225	
CLERICAL OFFICE EMPLOYEES NOC	8810	2,529,427	0.18000	4,553	
Buildings - Operation by Owner or Lessee	9015	536,445	4.09000	21,941	
PARK NOC - ALL EMPLOYEES & Drivers	9102	633,269	4.21000	26,661	
MUNICIPAL, TOWNSHIP, COUNTY OR STATE EMPLOYEE NOC	9410	636,176	2.44000	15,523	
AR Adjustment			1.11170	12,128	
Employer Safety Premium Credit	9765		0.02000	-2,414	
Drug-Free Workplace Credit	9841		0.05000	-5,914	
Total After Credits				112,375	
Experience Modification Final	9898		0.99000	-1,124	
Deviation	9034		0.89900	11,236	
STANDARD PREMIUM				100,015	
Advance Discount	0063			-8,191	
Normal Premium				91,824	
Expense Constant	0900				200
Incentive Credit				-27,604	
Net Premium				64,420	
Terrorism Risk Insurance Act	9740		-		0

**FLORIDA TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT**

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015.

**Definitions**

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

1. "Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2015.
2. "Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States as meeting all of the following requirements:
  - a. The act is an act of terrorism.
  - b. The act is violent or dangerous to human life, property or infrastructure.
  - c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
  - d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Insured Loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.
4. "Insurer Deductible" means, for the period beginning on January 1, 2015, and ending on December 31, 2020, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

**Limitation of Liability**

The Act may limit our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we may not be liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we may only have to pay a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

**Policyholder Disclosure Notice**

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed:
  - a. \$100,000,000, with respect to such Insured Losses occurring in calendar year 2015, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
  - b. \$120,000,000, with respect to such Insured Losses occurring in calendar year 2016, the United States Government would pay 84% of our Insured Losses that exceed our Insurer Deductible.
  - c. \$140,000,000, with respect to such Insured Losses occurring in calendar year 2017, the United States Government would pay 83% of our Insured Losses that exceed our Insurer Deductible.
  - d. \$160,000,000, with respect to such Insured Losses occurring in calendar year 2018, the United States Government would pay 82% of our Insured Losses that exceed our Insurer Deductible.
  - e. \$180,000,000, with respect to such Insured Losses occurring in calendar year 2019, the United States Government would pay 81% of our Insured Losses that exceed our Insurer Deductible.
  - f. \$200,000,000, with respect to such Insured Losses occurring in calendar year 2020, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.



**VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT**

This endorsement adds Voluntary Compensation Insurance to the policy.

**A. How This Insurance Applies**

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

**B. We Will Pay**

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

**C. Exclusions**

This insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law.
2. bodily injury intentionally caused or aggravated by you.

**D. Before We Pay**

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

**E. Recovery From Others**

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

**F. Employers Liability Insurance**

Part Two (Employers Liability Insurance) applies to bodily injury covered by this endorsement as though the State of Employment shown in the Schedule were shown in Item 3.A. of the Information Page.

Schedule

Employees	State of Employment	Designated Workers Compensation Law
All officers and employees not subject to the Workers Compensation Law except Masters or members of the crew of any vessel	Florida	State of Hire

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement 10/01/2019  
Insured Village of Palmetto Bay

Effective Policy No. 1028-W19

Endorsement No.  
Premium

Insurance Company  
Florida Municipal Insurance Trust

Countersigned by \_\_\_\_\_