

Board Packet

2.1.24 Board Meeting

AMERICAN FAMILY HOME INSURANCE COMPANY

Administration Office: 555 College Road East, Princeton, NJ 08543-5241
800.305.4954

Statutory Office: 1301 Riverplace Blvd., Suite 1300 - Jacksonville, FL 32207
(a stock insurance company)

COMMON POLICY DECLARATIONS

POLICY NUMBER: Q-07407-Auto

PRIOR POLICY NUMBER: NEW

COMPANY NAME American Family Home Insurance Company 555 College Road East Princeton, NJ 08543-5241 (800) 305-4954	PRODUCER NAME Wright Specialty Insurance 900 Stewart Avenue, Suite 600 Garden City, NY 11530-4869
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NAMED INSURED: Community Library Network
MAILING ADDRESS: 821 N. Spokane St Post Falls, ID 83854
POLICY PERIOD: FROM <u>02/01/2024</u> TO <u>02/01/2025</u> AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

BUSINESS DESCRIPTION Utility District
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IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
COMMERCIAL AUTOMOBILE COVERAGE PART	PREMIUM \$7,497.00
TOTAL:	\$7,497.00

POLICY NUMBER: Q-07407-Auto

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):
See Schedule of Forms and Endorsements.

Countersigned	By:
(Date)	(Authorized Representative)

Proposal

Chad S. Rippstein

Secretary

Jeanne Fleir

President

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: Q-07407-Auto	EFFECTIVE DATE: 02/01/2024
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NUMBER

TITLE

AM CL 100 (11-09) Common Policy Declarations
IL 00 17 (11-98) Common Policy Conditions
IL 00 21 (09-08) Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 02 04 (09-08) Idaho Changes - Cancellation and Nonrenewal
CA DS 03 (11-20) Business Auto Declarations
CA 00 01 (11-20) Business Auto Coverage Form
CA 01 18 (10-13) Idaho Changes
CA 24 02 (10-13) Public Transportation Autos
CA 99 03 (10-13) Auto Medical Payments Coverage
PE AU 1020 (07-20) Amended Physical Damage Deductible - Loss To Multiple Autos From
Single Event
PE AU 1023 (07-20) Amended Exception - Who Is An Insured
CA 31 15 (10-13) Idaho Uninsured Motorists Coverage
CA 31 18 (10-13) Idaho Underinsured Motorists Coverage
ID PHN1 (11-11) Idaho Notice to Policyholders Important Notice
AU 500 (10-21) Schedule of Covered Autos You Own
AFH VL 101 (11-09) Signature Endorsement

Proposal

BUSINESS AUTO DECLARATIONS

POLICY NUMBER: Q-07407-Auto

PRIOR POLICY NUMBER: NEW

ITEM ONE

Company Name: American Family Home Insurance Company 555 College Road East Princeton, NJ 08543-5241
Producer Name: Wright Specialty Insurance 900 Stewart Avenue, Suite 600 Garden City, NY 11530-4869
Named Insured: Community Library Network

Form Of Business: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Limited Liability Company (LLC) <input checked="" type="checkbox"/> Other: Public Entity <input type="checkbox"/> Individual
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In return for the payment of the premium, and subject to all the terms of this Policy, we agree with you to provide the insurance as stated in this Policy.

Premium Shown Is Payable At Inception: \$7,497.00
Audit Period (if applicable): <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Semiannually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly

Endorsements Attached To This Policy
IL 00 17 – Common Policy Conditions (IL 01 46 in Washington)
IL 00 21 – Broad Form Nuclear Exclusion (not applicable in New York) (IL 01 98 in Washington)
See Schedule of Forms and Endorsements.

ITEM ONE (Cont'd)

Countersignature Of Authorized Representative	
Name:	
Title:	
Signature:	
Date:	

Note

Officers' facsimile signatures may be inserted here, on the Policy cover or elsewhere at the company's option.

Proposal

ITEM TWO

Schedule Of Coverages And Covered Autos

This Policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". **"Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.**

Coverages	Covered Autos	Limit Or Deductible	Premium
Covered Autos Liability	1	\$3,000,000	\$5,116
Personal Injury Protection (Or Equivalent No-fault Coverage)		Separately Stated In Each Personal Injury Protection Endorsement Minus Deductible	
Added Personal Injury Protection (Or Equivalent Added No-fault Coverage)		Separately Stated In Each Added Personal Injury Protection Endorsement	
Property Protection Insurance (Michigan Only)		Separately Stated In The Property Protection Insurance Endorsement Minus Deductible	
Auto Medical Payments	2	\$10,000 For Each Accident Each Insured	\$198
Medical Expense And Income Loss Benefits (Virginia Only)		Separately Stated In The Medical Expense And Income Loss Benefits Endorsement	
Uninsured Motorists	6	\$300,000	\$68
Underinsured Motorists (When Not Included In Uninsured Motorists Coverage)	6	\$300,000	\$204

ITEM TWO

Schedule Of Coverages And Covered Autos (Cont'd)

Coverages	Covered Autos	Limit Or Deductible	Premium
Physical Damage Comprehensive Coverage	2,8	<p style="text-align: right;">Deductible</p> <p>For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p style="text-align: center;">OR</p> <p>See Schedule Deductible</p> <p>For All Perils For Each Covered Auto (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p>See Item Four for Hired or Borrowed Autos.</p>	\$661
Physical Damage Specified Causes Of Loss Coverage		<p style="text-align: right;">Deductible</p> <p>For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p style="text-align: center;">OR</p> <p style="text-align: right;">Deductible</p> <p>For All Perils For Each Covered Auto (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p>See Item Four for Hired or Borrowed Autos.</p>	
Physical Damage Collision Coverage	2,8	<p>See Schedule Deductible</p> <p>For Each Covered Auto See Item Four for Hired or Borrowed Autos.</p>	\$1,200

Proposition

ITEM TWO

Schedule Of Coverages And Covered Autos (Cont'd)

Physical Damage Towing And Labor		For Each Disablement Of A Private Passenger Auto, Light Or Medium Truck	
Premium For Endorsements			\$50
Estimated Total Premium*			\$7,497.00
*This Policy may be subject to final audit.			

Proposal

ITEM THREE

Schedule Of Covered Autos You Own

Covered Auto Number: See AU 500 - Schedule of Covered Autos You Own						
Town And State Where The Covered Auto Will Be Principally Garaged:						
Covered Auto Description						
Year:	Model:			Trade Name:		
Body Type:				Serial Number(s):		
Vehicle Identification Number (VIN):						
Classification						
Original Cost New	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVWR, GCW Or Vehicle Seating Capacity	Age Group	Secondary Rating Classification	Code
<p>Except For Towing And Labor, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below According To Their Interests In The Auto At The Time Of The Loss:</p>						

Proposed

ITEM THREE

Schedule Of Covered Autos You Own (Cont'd)

Coverages – Premiums, Limits And Deductibles (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding Item Two column applies instead.)		
Coverages	Limit Or Deductible	Premium
Covered Autos Liability		
Personal Injury Protection	Stated In Each Personal Injury Protection Endorsement Minus Deductible	
Added Personal Injury Protection	Stated In Each Added Personal Injury Protection Endorsement	
Property Protection Insurance (Michigan Only)	Stated In The Property Protection Insurance Endorsement Minus Deductible	
Auto Medical Payments		Each Insured
Medical Expense And Income Loss Benefits (Virginia Only)	Stated In The Medical Expense And Income Loss Benefits Endorsement For Each Person	
Uninsured Motorist		
Underinsured Motorist		
Comprehensive	Deductible For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.) OR Deductible For All Perils (A maximum deductible may also apply. Refer to Coverage Form for details.)	
Specified Causes Of Loss	Deductible For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.) OR Deductible For All Perils (A maximum deductible may also apply. Refer to Coverage Form for details.)	
Collision		Deductible
Towing And Labor		Per Disablement

ITEM THREE

Schedule Of Covered Autos You Own (Cont'd)

Total Premiums	
Covered Autos Liability	\$4,430
Personal Injury Protection	
Added Personal Injury Protection	
Property Protection Insurance (Michigan Only)	
Auto Medical Payments	\$198
Medical Expense And Income Loss Benefits (Virginia Only)	
Uninsured Motorist	\$68
Underinsured Motorist	\$204
Comprehensive	\$636
Specified Causes Of Loss	
Collision	\$1,175
Towing And Labor	

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums

Covered Autos Liability Coverage – Cost Of Hire Rating Basis For Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)		
Covered Autos Liability Coverage	Estimated Annual Cost Of Hire For All States	Premium
Primary Coverage		
Excess Coverage		
Total Hired Auto Premium \$		
<p>For "autos" used in your motor carrier operations, cost of hire means:</p> <ol style="list-style-type: none"> 1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers) and, if not included therein, 2. The total remunerations of all operators and drivers' helpers, of hired automobiles, whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and 3. The total dollar amount of any other costs (e.g., repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles, whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others. 		

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Covered Autos Liability Coverage – Cost Of Hire Rating Basis For Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)

Covered Autos Liability Coverage	State	Estimated Annual Cost Of Hire For Each State	Premium
Primary Coverage	ID	If Any	\$50
Excess Coverage			

Total Hired Auto Premium \$50

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

Physical Damage Coverages – Cost Of Hire Rating Basis For All Autos (Other Than Mobile Or Farm Equipment)

Coverage	State	Deductible	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)	Premium
Comprehensive	ID	\$100 Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)	If Any	\$25
Specified Causes Of Loss		Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)		
Collision	ID	\$500 Deductible For Each Covered Auto	If Any	\$25

Total Hired Auto Premium \$50

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Other Than Physical Damage Coverages					
Coverage	State	Estimated Annual Cost Of Hire For Each State		Premium	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)	VA				
Income Loss Benefits (Virginia Only)	VA				
Auto Medical Payments					
Total Hired Auto Premiums					
Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.					

Proposal

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Physical Damage Coverages						
Coverage	State	Deductible	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)		Premium	
			Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Comprehensive		Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)				
Specified Causes Of Loss		Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)				
Collision		Deductible For Each Covered Auto				
Total Hired Auto Premiums						
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.						

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Rental Period Rating Basis For Mobile Or Farm Equipment					
Coverage	Town And State Where The Job Site Is Located	Estimated Number Of Days Equipment Will Be Rented		Premium	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)					
Income Loss Benefits (Virginia Only)					
Auto Medical Payments					
Total Hired Auto Premiums					

Proposal

ITEM FIVE

Schedule For Non-ownership Covered Autos Liability

Named Insured's Business	Rating Basis	Number	Premium
Other Than Auto Service Operations, Partnerships Or LLCs	Number Of Employees	42	Included
	Number Of Volunteers	0	Included
Auto Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		
	Number Of Volunteers		
	Number Of Partners (Active And Inactive) Or LLC Members		
Partnerships Or LLCs	Number Of Employees		
	Number Of Volunteers		
	Number Of Partners (Active And Inactive) Or LLC Members		
Total Non-ownership Covered Autos Liability Premium			\$636

Proposal

ITEM SIX

Schedule For Gross Receipts Or Mileage Basis

Address Of Business Headquarters Location:	
Type Of Risk (Check one):	<input type="checkbox"/> Public Autos <input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100) <input type="checkbox"/> Mileage (Per Mile)
Estimated Yearly (Gross Receipts Or Mileage):	

Premiums	
Covered Autos Liability	
Personal Injury Protection	
Added Personal Injury Protection	
Property Protection Insurance (Michigan Only)	
Auto Medical Payments	
Medical Expense And Income Loss Benefits (Virginia Only)	
Comprehensive	
Specified Causes Of Loss	
Collision	
Towing And Labor	

When used as a premium basis:

FOR PUBLIC AUTOS

Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:

1. Amounts paid to air, sea or land carriers operating under their own permits.
2. Advertising revenue.
3. Taxes collected as a separate item and paid directly to the government.
4. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

FOR RENTAL OR LEASING CONCERNS

Gross receipts means the total amount earned by the named insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.

SCHEDULE OF COVERED AUTOS YOU OWN

POLICY NUMBER: Q-07407-Auto

Named Insured: Community Library Network

Policy Period: 02/01/2024 to 02/01/2025

Covered Auto No.	DESCRIPTION				PURCHASED			TERRITORY	
	Year, Model, Trade Name, Body Type Serial Number (S) Vehicle Identification Number (VIN)				Original Cost New	Actual Cost & NEW (N) USED (U)	Town & State Where The Covered Auto Will Be Principally Garaged		
1	1999 New Flyer Trans 5FYD2NS0XXU019485				\$15,000		Post Falls, ID		
2	2007 Dodge Grand Caravan 1D4GP24R17B158802				\$25,000		Post Falls, ID		
3	2007 Dodge Sprinter WD0PE845575218850				\$35,000		Post Falls, ID		
4	2007 Ford Fusion 3FAHP07107R109216				\$5,000		Post Falls, ID		
5	2008 Thomas Bookmobile 1T7YR2C2681291601				\$312,500		Post Falls, ID		
Covered Auto No.	CLASSIFICATION								
	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below As Interests May Appear At the Time Of The Loss.
				Liab.	Phy. Dam.				
1	L		> 60	W	0.550	1.250	0.400	5884	
2	L	S		M	1.000	1.000		01499	
3	L	S		M	1.000	1.000		01499	
4				M	1.000	1.000		7398	
5	L		9-20	L	0.550	1.250	-0.150	5882	
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	COVERED AUTOS LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)			
	Limit	Premium	Limit Stated In Each P.I.P. End. Minus Deductible Shown Below	Premium	Limit Stated In Each Added P.I.P. End. Premium	Limit Stated In P.P.I. End. Minus Deductible Shown Below	Premium		
1	\$3,000,000	\$1,637							
2	\$3,000,000	\$379							
3	\$3,000,000	\$398							
4	\$3,000,000	\$461							
5	\$3,000,000	\$689							
Total Premium		Included							

SCHEDULE OF COVERED AUTOS YOU OWN

POLICY NUMBER: Q-07407-Auto

Named Insured: Community Library Network

Policy Period: 02/01/2024 to 02/01/2025

Covered Auto No.	DESCRIPTION				PURCHASED			TERRITORY	
	Year, Model, Trade Name, Body Type Serial Number (S) Vehicle Identification Number (VIN)				Original Cost New	Actual Cost & NEW (N) USED (U)	Town & State Where The Covered Auto Will Be Principally Garaged		
6	2010 Dodge Van 2D4RN4DE7AR372547				\$25,000		Post Falls, ID		
7	2016 Nissan NV2500 SV 1N6BF0LY4GN8000				\$35,000		Post Falls, ID		
Covered Auto No.	CLASSIFICATION								
	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below As Interests May Appear At the Time Of The Loss.
6	L	S		J	1.000	1.000		01499	
7	L	S		D	1.000	1.000		01499	
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	COVERED AUTOS LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)			
	Limit	Premium	Limit Stated In Each P.I.P. End. Minus Deductible Shown Below	Premium	Limit Stated In Each Added P.I.P. End. Premium	Limit Stated In P.P.I. End. Minus Deductible Shown Below	Premium		
6	\$3,000,000	\$397							
7	\$3,000,000	\$469							
Total Premium		Included							

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)	
	Limit	Premium	Limit Stated In Each Medical Expense and Income Loss Endorsement For Each Person	Premium
1	\$10,000	\$92		
2	\$10,000	\$10		
3	\$10,000	\$10		
4	\$10,000	\$27		
5	\$10,000	\$39		
Total Premium		Included		
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	UNINSURED MOTORISTS		SUPPLEMENTAL UNINSURED/ UNDERINSURED MOTORISTS	
	Limit	Premium	Limit	Premium
1	\$300,000	\$7	\$300,000	\$27
2	\$300,000	\$7	\$300,000	\$27
3	\$300,000	\$7	\$300,000	\$27
4	\$300,000	\$26	\$300,000	\$42
5	\$300,000	\$7	\$300,000	\$27
Total Premium		Included		Included
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COMPREHENSIVE Theft Or Mischief Or Vandalism		COMPREHENSIVE All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
1			\$1,000	\$56
2			\$1,000	\$67
3			\$1,000	\$84
4			\$1,000	\$44
5			\$10,000	\$173
Total Premium				

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)	
	Limit	Premium	Limit Stated In Each Medical Expense and Income Loss Endorsement For Each Person	Premium
6	\$10,000	\$10		
7	\$10,000	\$10		
Total Premium		Included		
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	UNINSURED MOTORISTS		SUPPLEMENTAL UNINSURED/ UNDERINSURED MOTORISTS	
	Limit	Premium	Limit	Premium
6	\$300,000	\$7	\$300,000	\$27
7	\$300,000	\$7	\$300,000	\$27
Total Premium		Included		Included
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COMPREHENSIVE Theft Or Mischief Or Vandalism		COMPREHENSIVE All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
6			\$1,000	\$79
7			\$1,000	\$133
Total Premium				

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	SPECIFIED CAUSES OF LOSS Theft Or Mischief Or Vandalism		SPECIFIED CAUSES OF LOSS All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
1				
2				
3				
4				
5				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
1	\$1,000	\$74		
2	\$1,000	\$60		
3	\$1,000	\$66		
4	\$1,000	\$82		
5	\$10,000	\$696		
Total Premium		Included		

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	SPECIFIED CAUSES OF LOSS Theft Or Mischief Or Vandalism		SPECIFIED CAUSES OF LOSS All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
6				
7				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
6	\$1,000	\$60		
7	\$1,000	\$137		
Total Premium		Included		

IDAHO UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE SELECTION

Policy Number: Q-07407-Auto	Policy Effective Date: 02/01/2024
Company: American Family Home Insurance Company	
Producer: Wright Specialty Insurance	
Applicant/Named Insured: Community Library Network	

Idaho law permits you to make certain decisions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage. This document briefly describes these coverages and provides you with choices from available options.

You should read this document carefully and contact us or your agent if you have any questions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage and your options with respect to these coverages.

This document includes general descriptions of coverage. However, no coverage is provided by this document. You should read your policy and review your Declarations Page(s) and/or Schedule(s) for complete information on the coverages you are provided.

UNINSURED AND UNDERINSURED MOTORISTS COVERAGES

Uninsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury caused by a motor vehicle accident. Also included are damages due to bodily injury that result from a motor vehicle accident with a hit-and-run vehicle whose owner or operator cannot be identified.

Underinsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of bodily injury caused by a motor vehicle accident.

Please indicate your choice with respect to Uninsured Motorists Coverage from Section **A.** **AND** your choice with respect to Underinsured Motorists Coverage from Section **B.** as follows:

A. Selection Of Uninsured Motorists Coverage Limits

If you wish to select Uninsured Motorists Coverage, you may do so by initialing next to the appropriate item(s) and signing below. Please note that we only offer Uninsured Motorists Coverage limits up to the Liability Coverage limits of your policy, even though higher limits may appear below:

(Initials)				
_____ I select Uninsured Motorists Coverage at the following limits:				
(Choose one):				
(Initials)	Split Limits	OR	(Initials)	Single Limits
_____	\$ 25,000/50,000		_____	\$ 50,000
_____	50,000/100,000		_____	75,000
_____	100,000/200,000		_____	100,000
_____	100,000/300,000		_____	200,000
_____	250,000/500,000		_____	250,000
_____	300,000/300,000		_____	300,000
_____	500,000/500,000		_____	350,000
_____	500,000/1,000,000		_____	500,000
_____	\$ _____		_____	1,000,000
	(Other)		_____	\$ _____
				(Other)

_____ Signature Of Applicant/Named Insured

_____ Date

B. Selection Of Underinsured Motorists Coverage Limits

If you wish to select Underinsured Motorists Coverage, you may do so by initialing next to the appropriate item(s) and signing below. Please note that we only offer Underinsured Motorists Coverage limits up to the Liability Coverage limits of your policy, even though higher limits may appear below:

(Initials)				
_____	I select Underinsured Motorists Coverage at the following limits:			
(Choose one):				
(Initials)	Split Limits	OR	(Initials)	Single Limits
_____	\$ 50,000/100,000		_____	\$ 50,000
_____	100,000/200,000		_____	100,000
_____	100,000/300,000		_____	200,000
_____	250,000/500,000		_____	250,000
_____	300,000/300,000		_____	300,000
_____	500,000/500,000		_____	350,000
_____	500,000/1,000,000		_____	500,000
_____	\$ _____		_____	1,000,000
	(Other)		_____	(Other)
			_____	\$ _____
				(Other)

Signature Of Applicant/Named Insured _____
Date



ICRMP

Policy Year

2023-2024

PUBLIC ENTITY

Multi-Lines Insurance

Policy

Issued for:

Community Library Network

Issued by:

Idaho Counties Risk Management Program

3100 Vista Avenue, Suite 300, Boise, ID 83705

Phone: (208) 336-3100 ~ Fax: (208) 336-2100

www.icrmp.org

PUBLIC ENTITY MULTI-LINES INSURANCE POLICY DECLARATIONS

*ISSUED BY IDAHO COUNTIES RISK MANAGEMENT PROGRAM, UNDERWRITERS
 3100 Vista Avenue, Suite 300
 Boise, Idaho 83705
 (208) 336-3100*

Named Insured:	Community Library Network
Address:	821 N Spokane St Post Falls, Idaho 83854
Application Date:	August 1, 2023
Policy Number:	43A07031100123
Policy Period:	From: October 1, 2023 To: October 1, 2024
	<i>Both dates above at 12:01 AM</i>
Member Contribution:	\$51,293

NOTICE REGARDING INSURANCE GUARANTY ASSOCIATION

As required by Article VIII, Section 4 and Article XII, section 4 of the Idaho Constitution and Idaho Code Section 41-3603(10), the ICRMP Program is not a participant in the Idaho Insurance Guaranty Association. As such, ICRMP Subscribers are not responsible for the costs of private insurer insolvencies, nor are they or claimants against them entitled to any of the protections which participation in the Guaranty Association would provide. This notice is provided in cooperation with the Idaho Insurance Guaranty Association. For additional information concerning this notice, contact ICRMP at 208-336-3100.

PROPERTY

Section V limit of insurance is \$200,000,000 per occurrence and this limit is for all property coverages and all limits of insurance combined with all public entity members collectively.

<i>Insuring Agreements</i>	<i>Limit of Insurance</i>	<i>Coverage Basis</i>	<i>Deductible</i>
<i>Buildings, Structures & Property, Mobile Equipment and Vehicle Physical Damage</i>			
<u>Sublimits:</u>			
Claim Preparation Fees & Expenses	\$100,000	Per covered occurrence.	The first \$2,000 per covered occurrence is applicable to Section V, Insurance Provided 1 and 2, excepting wind, gymnasium floor, hail, weight of snow, flood, and earthquake losses.
Debris Removal	\$2,500,000 or 25% of damage, whichever is less)	Per covered occurrence.	
Earthquake	\$62,500,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP Public Entity Members claims combined in this policy year.	Earthquake: The first \$50,000 per covered occurrence.
Employee/Volunteer Property	\$50,000	Per covered occurrence.	
Evacuation Expenses	\$50,000	Per covered occurrence and/or in the aggregate for multiple occurrences in this policy year.	Flood Type 1: The first \$500,000 per building and first \$500,000 per contents per covered occurrence.
Fire Brigade/Extinguishing	\$25,000	Per covered occurrence.	
Fine Arts	\$1,000,000	Per covered occurrence and/or in the Annual Aggregate for multiple occurrences in this policy year.	Flood Type 2: The first \$50,000 per covered occurrence.
Flood Type 1	\$12,500,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP Public Entity Members claims combined in this policy year.	
Flood Type 2	\$62,500,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP Public Entity Members claims combined in this policy year.	Gymnasium Floor: The first 20% of the loss resulting from damage caused by water per covered occurrence.
Increased Cost of Construction	\$2,500,000	Per covered occurrence.	
Landscape Items	\$25,000	Per covered occurrence.	Hail: The first 5% of the loss per covered occurrence
Newly Acquired Property	\$1,000,000/120 days	Per covered occurrence and within 120 days of acquisition.	
Operational Disruption Expense	\$2,500,000	Per covered occurrence, includes sublimits as listed under heading.	Weight of Snow: The first 10% of the loss per covered occurrence.
• Data Restoration	\$250,000	Per covered occurrence and is included in the \$2,500,000 limit.	
• Extra Expense	\$500,000	Per covered occurrence and is included in the \$2,500,000 limit.	Wind: 5% of the loss per covered occurrence.
• Expediting Expense	\$500,000	Per covered occurrence and is included in the \$2,500,000 limit.	
• Leasehold Interest	\$500,000	Per covered occurrence and is included in the \$2,500,000 limit.	
Pipes or Fittings Failure	\$1,000,000	Per covered occurrence.	
Property in Course of Construction	\$1,000,000	Per covered occurrence.	
Property in Transit	\$250,000	Per covered occurrence.	
Protection & Preservation of Property	\$250,000	Per covered occurrence.	
Service Animals	\$30,000	Per covered occurrence.	
Unmanned Aircraft (Drones)	\$50,000	Per covered occurrence.	
Valuable Papers and Records	\$250,000	Per covered occurrence and includes sublimits as listed under heading.	
• Data Restoration Related to Valuable Papers and Records	\$250,000	Per covered occurrence and/or in the aggregate for multiple occurrences in this policy year.	
Wind	\$1,000,000	Per covered occurrence with all ICRMP Public Entity Members claims combined.	

----- CRIME INSURANCE-Section VI-----

Insuring Agreements	Limit of Insurance	Coverage Basis	Deductible
1. Employee Dishonesty	\$500,000	Per covered occurrence and in the aggregate for all claims annually.	The first \$5,000 of any loss in this section.
2. Loss Inside Premises	\$500,000	Per covered occurrence and in the aggregate for all claims annually.	
3. Loss Outside Premises	\$500,000	Per covered occurrence and in the aggregate for all claims annually.	
4. Notary Public	\$10,000	Per covered occurrence.	

-----OCCURRENCE LIABILITY COVERAGES-----

Section and/or Insuring Agreements	Indemnification Limit for Covered Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code	Indemnification Limit for All Other Covered Claims	Defense Cost Limit for Covered Claims	Coverage Basis
AUTO LIABILITY- SECTION VII				
1. Automobile Liability (Accident Outside State of Idaho)	\$500,000	\$500,000	\$500,000	Per covered accident.
Automobile Liability (Accident Inside State of Idaho)	\$500,000	\$500,000	Included in above	Per covered accident.
2. Automobile Medical Payments	\$5,000 \$100,000	\$5,000 \$100,000	Not Applicable	Each person. Each accident.
3. Uninsured / Underinsured Motorists	\$100,000 \$300,000	\$100,000 \$300,000	Included in above	Each person. Each accident.
GENERAL LIABILITY- SECTION VIII				
1. General Liability	\$500,000	\$500,000	\$500,000	Per covered occurrence.
<u>Sublimits:</u>				
Sewer Backup	\$500,000	\$500,000	Included in above	Per covered occurrence.
Fire Suppression Liability	\$500,000	\$500,000	Included in above	Per covered occurrence.
LAW ENFORCEMENT LIABILITY- SECTION IX				
Law Enforcement Liability	\$500,000	\$500,000	\$500,000	Per covered occurrence.

-----CLAIMS MADE LIABILITY COVERAGES-----

Section and/or Insuring Agreements	Indemnification Limit for Covered Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code	Indemnification Limit for All Other Covered Claims	Defense Cost Limit for Covered Claims	Coverage Basis
ERRORS & OMISSIONS LIABILITY – SECTION X <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 1, 1993 1. Errors & Omissions Liability	\$500,000	\$500,000	\$500,000	Per covered claim.
EMPLOYEE BENEFITS LIABILITY – SECTION XI <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 1, 1993 1. Employee Benefits Liability	\$500,000	\$500,000	\$500,000	Per covered claim.
SEXUAL MOLESTATION/SEXUAL ABUSE LIABILITY – SECTION XIII <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 1, 1993 1. Sexual Molestation/Sexual Abuse Liability	\$500,000	\$500,000	\$500,000	Per covered claim.
CHEMICAL SPRAYING ACTIVITIES LIABILITY – SECTION XIV <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 1, 1993 1. Chemical Spraying Activities Liability	\$500,000	\$500,000	\$500,000	Per covered claim and/or in the aggregate for multiple claims.

ANNUAL AGGREGATE INDEMNIFICATION LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XIII, XIV, AND XV COMBINED IS \$2,000,000.

SECTION XV – ENDORSEMENTS

Insuring Agreements	Limit of Insurance	Defense Cost Limit	Coverage Basis and/or Aggregate	Deductible
#1 - Pollutants Amendatory Endorsement	\$100,000	Not applicable	Per covered occurrence and \$500,000 in the annual aggregate for multiple claims.	The first \$2,000 of any loss for Endorsement #1.
#2 – Cyber Privacy or Security Event Endorsement CLAIMS MADE COVERAGE Retroactive Date: October 1, 2015 <u>Sublimits:</u> Privacy or Security Event Liability Privacy Response Expenses Regulatory Proceedings & Penalties PCI-DSS Assessments Electronic Equipment, Electronic Data, & Network Interruption Costs Cyber Extortion Expenses & Monies Social Engineering Financial Fraud	\$1,000,000 Included in above \$500,000 \$500,000 \$500,000 \$250,000 \$50,000 \$100,000	Included in indemnification limit	Per Covered Event and \$10,000,000 in the aggregate annually. Aggregate is shared among all ICRMP Entity Members collectively insured for Cyber Privacy or Security Event for multiple claims. \$50,000 Per Covered Claim and/or in the aggregate for multiple claims. \$100,000 Per Covered Claim and/or in the aggregate for multiple claims.	The first \$10,000 of any loss and 12 hours waiting period for Endorsement #2.
#3 – Public Land Fire Suppression Amendatory Endorsement	\$500,000	Not applicable	Per covered occurrence and/or in the aggregate for multiple claims subject to annual aggregate.	
#4 - Terrorism Liability Amendatory Endorsement	\$500,000	\$500,000	Per covered occurrence and/or in the aggregate for multiple claims subject to annual aggregate.	
#5 – Asbestos Remediation Amendatory Endorsement	\$0	Not applicable	Per covered occurrence.	The first \$2,000 of any loss for Endorsement #5.
#6 – Equipment Breakdown Endorsement 1. Spoilage 2. Service Interruption 3. Expediting Expense 4. Business Income & Extra Expense 5. Hazardous Substance 6. Ammonia Contamination 7. Electronic Data and Media 8. CFC Refrigerants 9. Computer Equipment	\$500,000 \$2,500,000 \$500,000 \$1,000,000 \$1,000,000 \$500,000 \$1,000,000 \$100,000 \$5,000,000	Not applicable for endorsement	Per covered occurrence for each limit and sublimit as listed. This endorsement's limit of insurance is \$100,000,000 per occurrence for all equipment breakdown coverages and all limits of insurance combined with all ICRMP members collectively.	The first \$2,000 of any loss for Endorsement #6.
#8– Active Assailant Amendatory Endorsement	\$50,000 \$100,000	Not applicable	Per covered incident. In the aggregate for multiple incidents.	

ANNUAL AGGREGATE INDEMNIFICATION LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XIII, XIV, AND XV COMBINED IS \$2,000,000.

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SECTION I - GENERAL INSURING AGREEMENT

- A. Unless otherwise stated in a specific subsequent section or endorsement, the following General Insuring Agreements apply to all sections of this policy. Certain provisions in this policy restrict coverage or limit damage amounts. The entire policy should be read carefully to determine **your** rights and duties, and to determine what is and is not covered.
1. Idaho Counties Risk Management Program, Underwriters (ICRMP) agrees with the **named insured** as listed in the declarations pages of this policy made a part hereof, in consideration of the payment of the member contribution and subject to the limits of insurance, limits of indemnification, insuring agreements, conditions, exclusions and other terms of this policy, as follows:
 - a. **We** will provide the insurance described in this policy and declarations pages if **you** have paid the member contribution and have complied with all policy provisions and conditions.
 - b. The insurance set forth in this policy is subject to the limits of insurance and limits of indemnification as indicated on the declarations pages or as set forth within the policy or any other endorsements issued during this term.
 - c. The liability insuring agreements afforded by this policy responding to covered claims for **damages** brought pursuant to Title 6, Chapter 9, Idaho Code (the Idaho Tort Claims Act) are expressly limited to five hundred thousand dollars (\$500,000) per **occurrence**. It is the express intent of ICRMP to limit exposure and coverage to the limit of \$500,000 per covered claim, **accident, occurrence**, or loss as established by statute. Any reference to liability indemnification amounts in excess of five hundred thousand dollars (\$500,000) contained in this policy shall not apply to claims brought pursuant to the Idaho Tort Claims Act.
 - d. By acceptance of this policy **you** agree that the declarations pages accurately indicate the coverages **you** have purchased.
 - e. All limits of indemnification and limits of insurance, including annual aggregate, are as stated in the declarations pages or within the accompanying policy.
 - f. The insurance provided by this policy applies to any covered claim or lawsuit filed and maintained only within the fifty (50) states, including the District of Columbia, of the United States of America.
 - g. In regard to defense of claims or lawsuits, **we** may investigate or settle any covered claim or **suit** against **you**. **We** will provide a defense with counsel of **our** choice, at **our** expense, if **you** are sued for a covered claim, unless specifically stated in the applicable coverage section that no coverage exists without a demand for **damages**. **Our** obligation to defend any claim or **suit** ends when either:
 - (1) The amount of loss or **damages we** pay equals the limit(s) of indemnification afforded as listed in the declaration pages under this policy; or
 - (2) The defense costs incurred by **us** equal the defense costs limit for covered claims afforded under this policy either for an individual claim, or in the aggregate as listed in the declaration pages under this policy.
 2. **Entire Agreement.** This policy, when read in concert with the Joint Powers Subscriber Agreement, embodies the entirety of the agreement existing between **you** and **us** relating to this Insurance. **You** acknowledge that **you** are responsible for maintaining information about **your** insurance needs and **you** have no power to bind ICRMP to provide insurance beyond that expressed in this policy, its endorsements, and its attendant declaration pages.
 3. **Titles.** The titles in this policy are only for reference. The titles do not in any way affect the provisions of this policy.

SECTION II - GENERAL DEFINITIONS

- A. Unless otherwise stated or amended in a specific subsequent section or endorsement, the following definitions are applicable to all sections and endorsements of this policy.
1. **"Accident"** means a sudden, unexpected, and unintended event.
 2. **"Aircraft"** means any contrivance used or designed to carry people in flight.
 3. **"Bodily Injury"** means physical injury, sickness, disease, shock, fright, mental injury or anguish, emotional distress, or disability sustained by a natural person, including death resulting from any of these.
 4. **"Communicable Disease"** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - a. The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - b. The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - c. The disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.
 5. **"Damages"** means monetary compensation to be awarded through judgment in a court proceeding or through settlement agreed to by **us** to compensate a claimant for harm suffered.
 6. **"Discrimination"** means any actual or alleged:
 - a. Violation of any employment discrimination law; or
 - b. Disparate treatment of, or the failure or refusal to hire a person because he or she is or claims to be a member of a class which is or is alleged to be legally protected.
 7. **"Employee Benefit Program"** means a program providing group life insurance, group accident or health insurance, or group dental, vision and hearing plans, retirement, profit sharing, unemployment insurance, or any other benefit provided that no one other than an employee of the **named insured** may subscribe to such insurance or plans and such benefits are made generally available to those employees who satisfy the plan's eligibility requirements.
 8. **"Employment Sexual Harassment"** means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or any other verbal or physical conduct of a sexual nature of a person by another person, or persons acting in concert, which causes harm when:
 - a. Submission to or rejection of such unwelcome conduct is made either explicitly or implicitly a condition of a person's employment, or basis for employment decisions affect a person; or
 - b. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creates an intimidating, hostile or offensive work environment.
 9. **"Employment Harassment"** means any actual or alleged harassment, other than **employment sexual harassment**, which creates a work environment that interferes with job performance, or creates an intimidating, hostile or offensive work environment.
 10. **"First Aid"** means the rendering of emergency medical treatment at the time of an **accident** and only when other licensed medical professional care is not immediately available.

11. "**First Made**" means when **you** first give written notice to **us** that a claim has been made against **you**, but not later than the end of this **policy period** or any extended reporting period **we** provide. Reports of incidents or circumstances made by **you to us** as part of risk management or loss control services shall not be considered notice of a claim.
12. "**Fungi**" means any organism of the plant kingdom Fungi, which lacks chlorophyll and vascular tissue, including but not limited to, yeast, mold, mildew, rust, smut, mushrooms, spores, mycotoxins, or any other substances, odors, or byproducts arising out of the current or past presence of fungi.
13. "**Impaired Property**" means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate, or dangerous, or if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work**.
14. "**Insured**" means:
 - a. The **named insured** and
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the course and scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor.
15. "**Insured Property**" means the following property as listed on **your schedule of values**, unless excluded elsewhere in this policy, to the extent of the interest in such property:
 - a. Real property, including but not limited to buildings, remodeling, installations, and construction in which **you** have an insurable interest.
 - b. Personal Property:
 - (1) Owned by **you**, including **your** interest as a tenant in improvements and betterments; or
 - (2) Of **your** officers and employees on **your** property; or
 - (3) Of others in **your** custody to the extent **you** are under obligation to keep insured for physical loss or damage;
 - c. **Mobile equipment, vehicles, unmanned aircraft system** and watercraft **you** own, rent, or lease.
16. "**Jail Operations Services**" means activities relating to the detention of prisoners, arrestees or detainees at a detention facility, jail, work program, or other facility however described used to hold prisoners, arrestees, or detainees in the charge of an **insured**, while acting in the course and scope of employment on **your** behalf.
17. "**Law Enforcement Services**" means any law enforcement assistance or service performed by **your** law enforcement officer, including any necessary action or items to perform their duties, in the course and scope of employment on **your** behalf.
18. "**Mobile Equipment**" means equipment such as earthmovers, tractors, diggers, farm machinery, forklifts, heavy construction equipment, mobile medical equipment, etc., that even when self-propelled, are not considered **vehicles**.
19. "**Named Insured**" means the public entity identified in the declarations pages of this policy.
20. "**Normal**" means the condition that would have existed had no physical loss or damage occurred.

21. "**Occurrence**" means an **accident** or a continuous or repeated exposure to the same general conditions which result in **personal injury** and/or **property damage** during the **policy period**. All **personal injury** to one or more persons and/or **property damage** caused by an **accident** or a continuous or repeated exposure to the same general conditions or a series of continuous, repeated or related **accidents** shall be deemed one **occurrence** regardless of the number of **insureds** involved, period of time or area over which such **personal injury** or **property damage** occurs or number of persons suffering **personal injury** or **property damage** and shall be deemed to occur when the first part of such **personal injury** or **property damage** commences.
22. "**Personal Injury**" means **bodily injury**, wrongful eviction, malicious prosecution, invasion of rights of privacy, libel, slander or defamation of character, piracy, and any infringement of copyright of property, erroneous service of civil papers, assault, battery, and disparagement of property.
23. "**Policy Period**" means the period from the effective date of this policy to the expiration date stated in the declarations pages, or earlier termination date, if any, of this policy.
24. "**Pollutant(s)**" means:
- a. Those materials that can cause or threaten damage to human health or human welfare or cause or threaten damage, deterioration, loss of value, marketability or loss of use to property;
 - b. Any solid, liquid, gaseous, or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals and waste, including debris and trash and materials to be recycled, reconditioned or reclaimed;
 - c. **Fungi**, mold, mildew, or silica, PFAS (Perfluoroalkyl and Polyfluoroalkyl Substances);
 - d. Hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, Toxic Substances Control Act or as designated by the U.S. Environmental Protection Agency or any other governing authority.
25. "**Premises**" means any real property or land possessed and controlled by **you** in **your** capacity as a possessor.
26. "**Property Damage**" means physical damage to or destruction of tangible property, including loss of use resulting from such physical damage or destruction.
27. "**Retaliation**" means any actual or alleged wrongful termination or other adverse employment action by any **insured** against a person or persons on account of:
- a. Assistance, testimony or cooperation with a proceeding or investigation regarding alleged violations of law;
 - b. Exercise or attempted exercise of rights protected by law;
 - c. Disclosure or threat to disclose to a superior or to any governmental agency alleged violations of the law; or
 - d. Refusal to violate any law.
28. "**Sexual Molestation or Sexual Abuse Wrongful Act**" means any act or omission relating to:
- a. The alleged, actual, threatened, unwelcome or offensive:
 - (1) Physical conduct of a sexual nature, including sexual abuse or molestation; or
 - (2) Verbal or written conduct of a sexual nature or conduct of a sexual nature using visual images, including conduct by electronic means;

b. Including:

(1) The negligent:

- (i.) Employment;
- (ii.) Investigation;
- (iii.) Supervision;
- (iv.) Reporting to proper authorities, or failure to so report; or
- (v.) Retention;

of a person for whom any **insured** is or ever was legally responsible and whose conduct is described in paragraph a.

c. Breach of any legal obligation arising out of any conduct described in paragraph a. or b., or suspected or threatened conduct described in paragraph a. or b., or breach of any duty to any person who was subjected to any conduct described in paragraph a. or b.

29. **“Suit”** means a civil proceeding in which **damages** because of **bodily injury, property damage or personal injury** to which this insurance policy applies are alleged.
30. **“Terrorism”** means 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 intimidate or coerce a civilian population, disrupt any segment of the economy, or overthrow, influence or affect the conduct or policy of any government and/or to put the public or any section of the public in fear for such purposes. Terrorism shall also include any act which is verified or recognized by the United States Government as an act of Terrorism.
31. **“Unmanned Aircraft System”** means an unmanned aircraft and the equipment necessary for the safe and efficient operation of that unmanned aircraft. An unmanned aircraft is a component of an unmanned aircraft system. An unmanned aircraft is an aircraft that is operated without the possibility of direct human intervention from within the or on the aircraft.
32. **“Vehicle”** means any automobile, truck, van, bus, motorcycle, or other conveyance licensed for use on public roads.
33. **“We”, “Us” and “Our”** means Idaho Counties Risk Management Program, Underwriters (ICRMP).
34. **“Wrongful Act”** means the actual or alleged negligent performance of a legal duty or responsibility or failure to perform a legal duty or responsibility, or any error, misstatement, act or omission respectively by **you**, performed in a tortious manner pursuant to the Idaho Tort Claims Act or unlawful violations of civil rights pursuant to Federal law arising out of public office or position. **Wrongful act** is not a **wrongful employment practice act**. All **wrongful acts** that have as a common nexus with, or involve, a series of causally or logically related acts or omissions will be deemed to be a single **wrongful act**, which will be deemed to have occurred at the time the first such related **wrongful act** commenced, whether committed by the same person or two or more persons and without regard to the number of:
- (1) related **wrongful acts** taking place thereafter;
 - (2) persons affected by related **wrongful acts**;
 - (3) locations where the related **wrongful acts** took place;
 - (4) ICRMP **policy periods** over which the related **wrongful acts** took place; or
 - (5) Breaches of any legal obligation arising out of any related **wrongful act**, or suspected or threatened related **wrongful act**, or breaches of duty to any person affected by a related **wrongful act**.

35. “**Wrongful Employment Practice Act**” means any actual or alleged employment-related act or omission in the form of one or more of the following:
- a. **Discrimination**;
 - b. Employment-related libel, slander, defamation;
 - c. **Employment sexual harassment** or **employment harassment**;
 - d. Negligent hiring, supervision, training, or retention.
 - e. **Retaliation**;
 - f. Violation of the Family Medical Leave Act;
 - g. Wrongful discipline, deprivation of career opportunity, or evaluation;
 - h. Wrongful termination.

All **wrongful employment practice acts** that have as a common nexus with, or involve, a series of causally or logically related acts or omissions will be deemed to be a single **wrongful employment practice act**, which will be deemed to have occurred at the time the first such related **wrongful employment practice act** commenced, whether committed by the same person or two or more persons and without regard to the number of:

- (a) related **wrongful employment practice acts** taking place thereafter;
- (b) persons affected by related **wrongful employment practice acts**;
- (c) locations where the related **wrongful employment practice acts** took place;
- (d) ICRMP **policy periods** over which the related **wrongful employment practice acts** took place; or
- (e) Breaches of any legal obligation arising out of any related **wrongful employment practice act**, or suspected or threatened related **wrongful employment practice act**, or breaches of duty to any person affected by a related **employment wrongful practice act**.

36. “**You**” and “**Your**” means the **named insured** identified in the declarations pages of this policy.

37. “**Your Product**”:

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed, or disposed of by:
 - (i.) **You**;
 - (ii.) Others trading under **your** name; or
 - (iii.) A person or organization whose business or assets **you** have acquired; and
 - (2) Containers, (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of ***your product***; and
- (2) The providing of or failure to provide warnings or instructions.

38. “**Your Work**” means:

- a. Work or operations performed by ***you*** or on ***your*** behalf; and
- b. Materials, parts, or equipment furnished in connection with such work or operations.
- c. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of ***your work***; and
 - (2) The providing of or failure to provide warnings or instructions.

SECTION III – GENERAL CONDITIONS

- A. Unless otherwise stated in a specific subsequent section or endorsement, the following conditions are applicable to all sections and endorsements of this policy.
1. **Apportionment.** In the event a **suit** alleges a claim which is covered by the terms of this policy and a claim which is not covered by the terms of this policy, **our** obligation for the costs of defense and payment of any award or settlement for **damages** shall be limited to only those sums related to a covered claim.
 2. **Assignment.** **Your** interests in this insurance may not be assigned.
 3. **Bankruptcy and Insolvency.** In the event of **your** bankruptcy or insolvency or any entity **you** comprise, **we** shall not be relieved of the payment of any claim by **you** or against **you** or the liquidator, receiver, or statutory successor of **you** under this policy without diminution because of **your** insolvency provided that **you** have timely paid **your** member contributions.
 4. **Cancellation and Nonrenewal.**
 - a. Cancellation.
 - (1) **You** may cancel this policy by mailing or delivering to **us** advance written notice of cancellation. Cancellation will be effective on the later of the date requested by **you** or the date **we** receive the request. **We** shall refund all unearned premiums on a pro rata basis to **you** within thirty (30) days of **your** cancellation; however, **we** shall be entitled to retain not less than 35% of the premium paid, regardless of when such cancellation is effective.
 - (2) **We** may cancel this policy as follows:
 - (a) If this policy has been in effect for sixty (60) days or less, and is not a renewal of a policy **we** issued, **we** may cancel this policy by mailing or delivering to **you** written notice of cancellation at least:
 - (i) Ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of member contribution; or
 - (ii) Thirty (30) days before the effective date of cancellation if **we** cancel for any other reason.
 - (b) If this policy has been in effect for more than sixty (60) days, or is a renewal of a policy **we** issued, **we** may cancel this policy by mailing or delivering to **you** written notice of cancellation to **you** at least:
 - (i) Ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of member contribution; or
 - (ii) Thirty (30) days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 1. Nonpayment of member contribution;
 2. Fraud or material misrepresentation made by **you** or with **your** knowledge in obtaining a policy, continuing the policy or in presenting a claim under the policy;
 3. Acts or omissions on **your** part which increase any hazard insured against;
 4. Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;

5. Loss of or decrease in reinsurance which provided **us** with coverage for all or part of the risk insured;
 6. A determination by the Director of Insurance that continuation of this policy would jeopardize **our** solvency or place **us** in violation of the insurance laws of Idaho or any other state; or
 7. Violation or breach by **you** of any policy terms or conditions other than nonpayment of member contribution.
- b. Nonrenewal.
- (1) If **we** elect to not renew this policy, **we** will mail or deliver to **you** a written notice of intention not to renew at least forty-five (45) days prior to the expiration date of the policy.
 - (2) If notice is not mailed or delivered at least forty-five (45) days before the expiration date of this policy, this policy will remain in effect until forty-five (45) days after notice is mailed or delivered.
 - (3) **We** will not mail or deliver this notice if:
 - (a) **We** have offered to renew this policy; or
 - (b) **You** have obtained replacement coverage; or
 - (c) **You** have agreed in writing to obtain replacement coverage.
5. **Currency.** The member contribution and losses under this insurance are payable in currency of the United States.
 6. **Deductibles.** In each case of loss covered by this policy, **we** will not pay for loss or damage in any one **occurrence** until the amount of loss or damage exceeds the applicable deductible listed in the declarations pages, insuring agreements, conditions, or endorsements. **We** will then pay the amount of loss or damage in excess of the applicable deductible, up to the applicable limit of insurance.
 - a. Unless otherwise stated, if more than one deductible amount applies to loss or damage in any one covered **occurrence**, the total of the deductible amounts applied in that **occurrence** will not exceed the amount of the largest applicable deductible; or
 - b. If the applicable deductible is stated as a percentage of the loss, reimbursable indemnity payments made to **you** or on **your** behalf by **us** shall be reduced by the deductible percentage stated in the declaration page or applicable section.
 7. **Dispute Resolution Procedure.** **You** and **we** agree that it is in **our** mutual interest to have a dispute resolution procedure in order to address potential disputes and disagreements as to whether or not a claim is covered by the terms and conditions of this policy. **You** and **we** agree that the dispute resolution procedure as set out in the Joint Powers Subscriber Agreement currently in force as of the effective date of this policy shall apply to address any potential disputes and disagreements as to coverage.
 - a. Inapplicable to Certain Disputes and Disagreements:
 - (1) These dispute resolution procedures do not apply to the appraisal condition set forth in the specific conditions applicable to the property insurance provided in section V of this policy, or to the arbitration condition set forth in the specific conditions applicable to the Automobile Liability Insuring Agreements set out in section VII of this policy.
 - (2) These dispute resolution procedures do not apply in any way to **our** decisions regarding terms of claim settlement, claim payment amount, or the claim investigation process.

8. **Duties After Occurrence, Accident, Wrongful Act, Wrongful Employment Practice Act, Sexual Molestation or Sexual Abuse Wrongful Act or Suit.**
- a. **You** must see to it that **we** are notified as soon as practicable of an **occurrence, accident, wrongful act, wrongful employment practice act, sexual molestation or sexual abuse wrongful act**, or **suit** which may reasonably result in a claim. To the extent possible, notice should include:
- (1) How, when and where the **occurrence, accident, wrongful act, wrongful employment practice act, or sexual molestation or sexual abuse wrongful act** took place;
 - (2) The names, addresses and telephone numbers of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the **occurrence, accident, wrongful act, wrongful employment practice act, or sexual molestation or sexual abuse wrongful act**.
- b. If a claim is made or **suit** is brought against any **insured, you**, and any involved **insured** must:
- (1) Immediately record the specifics of the claim or **suit** and the date received.
 - (2) See that **we** receive written notice of the claim or **suit** as soon as practicable.
 - (3) Immediately send **us** copies of any claims, demands, notices, summonses or legal papers received in connection with the claim or **suit**;
 - (4) Authorize **us** to obtain records and other information, and provide a sworn statement, if requested;
 - (5) Cooperate with **us** in the investigation, or defense of the claim or **suit**, including but not limited to, attendance at hearings and trials, securing and giving evidence, and obtaining the attendance of witnesses; and
 - (6) Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to **you** because of injury or damage to which this policy may also apply.
- c. **You** shall not, except at **your** own risk, voluntarily make a payment, assume any obligation, or incur any expense, other than for **first aid**, without **our** consent.
- d. **Your** failure to comply with the foregoing duties shall constitute a material breach deemed prejudicial to **us**, thereby entitling **us** to refuse any coverage for the **occurrence, accident, wrongful act, wrongful employment practice act, sexual molestation or sexual abuse wrongful act, or suit**, or any duties arising therefrom.
- e. Reports of incidents or circumstances made by **you** to **us** as part of risk management or loss control services shall not be considered notice of a claim.
9. **Extended Reporting Periods.** All coverage sections designated as claims-made are conditioned as follows if this policy is cancelled or not renewed for any reason:
- a. **We** will provide an Extended Reporting Period of thirty (30) days duration following immediately upon the effective date of nonrenewal or cancellation, to apply to a claim brought forth under the applicable coverage section which is **first made** in writing to **us** by **you** during the Extended Reporting Period but only by reason of a **wrongful act, wrongful employment practice act, or sexual molestation or sexual abuse wrongful act** which first commences on or after the retroactive date set forth in the declarations pages and prior to the effective date of this policy's cancellation or termination, and which is otherwise afforded by all coverages within this policy.
- b. If, however, this policy is immediately succeeded by a similar claims-made insurance policy with any insurer, in which the retroactive date earlier than, the alleged **wrongful act, wrongful employment practice act, or sexual molestation or sexual abuse wrongful act**, the succeeding policy shall be

deemed to be a replacement of this policy, and the extended reporting period will not apply. Once in effect, an extended reporting period cannot be canceled.

- c. The extended reporting period does not reinstate or increase the limit(s) of indemnification applicable to any coverages of this policy.
10. **Inspections, Audit and Verification of Values.** *We* shall be permitted, but not obligated, to review or inspect *your* property, operations, records, and books, at any reasonable time. Neither *our* right to make inspections or conduct reviews, nor the making thereof, nor any report thereon, shall constitute an undertaking on behalf of or for the benefit of *you* or others, to determine or warrant that such property or operations are safe or healthful. *We* will have no liability to *you* or any other person because of any inspection or failure to inspect. It is *your* responsibility to disclose accurate statements of value.
11. **Loss Payments.** When it has been determined that *we* are liable under this policy, *we* shall pay losses in excess of the stated deductible up to the limits of indemnification or limits of insurance stated in the declarations pages. *Our* obligation to make loss payments shall arise as amounts owed are determined.
12. **Misrepresentation and Fraud.** This policy shall be void in entirety if, whether before or after a loss, you have:
 - a. Willfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of any *insured*.
 - b. Made any attempt to defraud us; or
 - c. Made any false swearing.
13. **Mitigation.** In the event of a loss covered under this policy, *you* must take all reasonable steps to prevent further loss or damage.
14. **Multiple Insureds, Claims, Suits, or Claimants.** The limits of indemnification or limits of insurance as stated in the declarations pages is the most we will pay on *your* behalf under this policy regardless of the number of:
 - a. *Insureds*; or
 - b. *Insured vehicles* as defined in Section VII - Automobile Liability Insurance; or
 - c. Claims made or *suits* brought; or
 - d. Persons or organizations making claims or bringing *suits*.
15. **No Benefit to Bailee.** *We* will not recognize any assignment or grant any coverage for the benefit of any person, entity or organization holding, storing, or transporting *your* property, regardless of any other provision of this policy.
16. **Non-Stacking of Insurance Coverage.** No individual or entity entitled to coverage under any coverage section of this policy shall recover duplicate payment for the same elements of loss under other coverage sections of this policy, or other policies written by *us*.
17. **Non-Stacking of Limits.**
 - a. **Claims Made Coverage – Single Claim.**
 - (1) All claims arising out of the same Errors and Omissions Liability *wrongful act* or a series of related Errors and Omissions Liability *wrongful acts* (Section X); or
 - (2) All claims arising out of the same Employee Benefit Liability *wrongful act* or a series of related Employee Benefit Liability *wrongful acts* (Section XI); or

- (3) All claims arising out of the same Employment Practices Liability **wrongful employment practice act** or a series of related Employment Practices Liability **wrongful employment practice acts** (Section XII); or
- (4) All claims arising out of the same **sexual molestation or sexual abuse wrongful act** or a series of **related sexual molestation or sexual abuse wrongful acts** (Section XIII); or
- (5) All claims arising out of the same Chemical Spraying Activities Liability **wrongful act** or a series of related Chemical Spraying Activities Liability **wrongful acts** (Section XIV),

shall be treated as a single claim considered **first made** in writing to **us** by **you** during the **policy period** or any extended reporting period when the first of such claims is made. Only the affected coverage section's limits of indemnification as stated in the declarations page for that **policy period** apply to such single claim. **Wrongful acts, wrongful employment practice acts, or sexual molestation or sexual abuse wrongful acts** shall be deemed related if they have a common nexus with, or involve, a series of causally or logically related **wrongful acts, wrongful employment practice acts or sexual molestation or sexual abuse wrongful acts**.

- b. **Multiple Insuring Agreements – Single Claim.** If a single claim is covered under two or more Insuring Agreements within a coverage section of this policy, our claim payment shall be limited to the higher limit(s) of indemnification as shown in the declarations page, and its corresponding deductible, if any, for that coverage section. If the affected Insuring Agreements have equal limits of indemnification, only one set of limits of indemnification, and its corresponding deductible, if any, shall apply and it shall be the Insuring Agreement of the coverage section **we** deem to provide primary coverage for the claim.
- c. **Multiple Coverage Sections – Single Claim.** If a single claim is covered under two or more coverage sections of this policy, our claim payment shall be limited to that coverage section with the higher limits of indemnification as shown in the declarations page, and its corresponding deductible, if any, of this policy. If the affected coverage sections have equal limits of indemnification, only one set of limits of indemnification, and its corresponding deductible, if any, shall apply and it shall be the coverage section of this policy **we** deem to provide primary coverage for the claim.
- d. **Multiple Coverage Sections – Related Claims; Claims Made Coverage.** If:
 - (1) Two or more claims are covered under two or more coverage sections of this policy, or under any preceding or succeeding policy **we** issue, that provide claims made coverage; and
 - (2) These claims are made against the same **insured** or the same perpetrator, or against two or more **insureds** acting in concert or against two or more perpetrators acting in concert; and
 - (3) Without regard to number of ICRMP **policy periods** over which the acts, errors, omissions, occurrences, events, **accidents, wrongful acts, wrongful employment practices acts, or sexual molestation or sexual abuse wrongful acts** take place,

such related claims shall be treated as a single claim considered **first made** in writing to **us** by **you** during the **policy period** or during any extended reporting period when the first of such covered claim is made. Any claim payment(s) we make with respect to such single claim shall be limited to the coverage section and corresponding limits of indemnification as shown in the declarations page, and its corresponding deductible, if any, of the policy when the claim was considered **first made**.
- e. **Multiple Coverage Sections – Related Claims; Occurrence Coverage.** If:
 - (1) Two or more claims are covered under two or more coverage sections of this policy, or under any preceding or succeeding policy we issue, providing **occurrence**-based coverage; and
 - (2) These claims are made against the same **insured** or the same perpetrator, or against two or more **insureds** acting in concert or against two or more perpetrators acting in concert; and

- (3) Without regard to number of ICRMP **policy periods** over which the **occurrences** take place,

such related claims shall be treated as a single claim. The date of the first covered **occurrence** will determine the policy and its respective coverage section applicable to such single claim. Any claim payment(s) we make with respect to such single claim shall be limited to that policy's coverage section and its corresponding limits of indemnification as shown in the declarations page, and its corresponding deductible, if any.

f. **Multiple Coverage Sections – Related Claims; Claims Made / Occurrence Coverage.** If:

- (1) Two or more claims are covered under two or more coverage sections of this policy, or under any preceding or succeeding policy we issue, that individually provide claims made coverage or **occurrence**-based coverages; and

- (2) These claims are made against the same **insured** or the same perpetrator, or against two or more **insureds** acting in concert or against two or more perpetrators acting in concert; and

- (3) Without regard to number of ICRMP **policy periods** over which the acts, errors, omissions, **occurrences**, events, **accidents, wrongful acts, wrongful employment practices acts, or sexual molestation or sexual abuse wrongful acts** take place,

such related claims shall be treated as a single claim. The policy and its corresponding coverage section that shall apply to such single claim shall be determined by the earlier of:

- (4) The date the first covered act, error, omission, **occurrence**, event, **accident, wrongful act, wrongful employment practice act, sexual molestation or sexual abuse wrongful act** or other covered loss takes place with respect to claims made coverage, conditioned upon that date being on or after the retroactive date, if any, and before the end of the applicable **policy period**; or

- (5) The date the first covered **occurrence** takes place with respect to **occurrence**-based coverage. Any claim payment(s) we make with respect to such single claim shall be limited to the coverage section and corresponding limits of indemnification as shown in the declarations page, and its corresponding deductible, if any, of the policy determined by subparagraphs (4.) and (5.) above.

18. **Notice of Member Contribution or Coverage Changes.**

- a. **We** will mail or have delivered to **you** through **your** independent agent, at the last known mailing address, written notice of the following for a subsequent year at least thirty (30) days prior to the expiration date of this policy:

- (1) A total member contribution increase greater than ten percent (10%) which is the result of a comparable increase in member contribution rates.

- (2) Changes in deductibles.

- (3) Reductions in limits of indemnification or limits of insurance.

- (4) Reductions in coverage.

- b. If **we** fail to provide at least thirty (30) day notice, the policy previously provided to **you** shall remain in effect until thirty (30) days after such notice is given or until the effective date of a replacement policy or self-insurance obtained by **you**, whichever occurs first.

- c. For purposes of this provision, notice is considered given on the date of mailing of the notice to **you**. Proof of mailing of conditions of renewal to the last known mailing address of **you** shall be sufficient proof of notice.

19. **Other Insurance.**

- a. If **you** have other insurance (whether primary, excess, or contingent), against loss covered by this Insurance, **we** shall be liable, under the terms of this Insurance only as excess of other insurance, collectable or not. Notwithstanding the foregoing, **you** may purchase insurance specifically in excess of this insurance. Such excess insurance shall not be considered "other insurance" for purposes of this condition.
- b. **We** will not be liable for any loss to the extent that **you** have collected such loss from others. Any other insurance that would have provided primary coverage in the absence of the policy will not be considered excess.
- c. **You** are permitted to have other insurance for all, or any part, of any deductible in this policy. The existence of such other insurance will not prejudice recovery under this policy. If the limits of liability of such other insurance are greater than this policy's applicable deductible, this policy's insurance will apply only after such other insurance has been exhausted.
- d. In the event this policy is deemed to contribute with other insurance, the limit of indemnification or limit of insurance applicable at each **insured property**, for purposes of such contribution with other insurers, will be the latest amount described in this policy or the latest **insured property** value listed on **your** schedule of values.

20. **Policy Modification.** This policy contains all of the agreements between **you** and us concerning this insurance. **You** or **we** may request changes to this policy. This policy can only be changed by endorsements issued by **us** and made a part of this policy. Notice to any agent or knowledge possessed by any agent or by any other person will not:

- a. Create a waiver, or change any part of this policy; or
- b. Prevent us from asserting any rights under the provisions of this policy.

21. **Reporting Property on Your Schedule of Values.** Coverage is conditioned upon information being entered into the online ICRMP e-Agent website.

22. **Salvage.** The salvage value of **your** damaged property may be credited against the amount **we** pay to replace **your** damaged property if **you** retain said property.

23. **Subrogation/Recovery/Right of Reimbursement.** If **we** make payment under this policy to **you** or on **your** behalf, and **you** or the person or entity for whom payment was made has a right to recover **damages**, **we** will be subrogated to that right. **You** must do whatever is necessary to enable **us** to exercise **our** rights and must do nothing to prejudice **our** rights. **We** may prosecute an action or pursue other lawful proceedings in **your** name for the recovery of these payments, and **you** must cooperate and assist **us** at **our** request. Any recovery from subrogation proceedings, less costs incurred by us in such proceedings, will be payable to you in the proportion that the amount of (1) any applicable deductible and/or (2) any provable uninsured loss, bears to the entire provable loss amount.

24. **Suit Against Us.** No **suit**, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless the following procedures are satisfied:

- a. As a condition precedent to filing **suit**, **you** have fully complied with all the provisions of this policy and the ICRMP Joint Powers Subscriber Agreement;
- b. Any **suit** against **us** arising from a claim or loss must be filed within the State of Idaho allowable statute of limitations from the date we take our final action with respect to the claim or loss;
- c. No one shall have any right to join **us** as a party or otherwise bring **us** into any action or **suit** against an **insured**.

25. **Terms of Policy to Conform to Statutes.** In the event any terms of this policy are determined to be in conflict with the statutes of the State of Idaho, they are hereby amended to conform to such statutes.

SECTION IV - GENERAL EXCLUSIONS

- A. Unless otherwise stated in a specific subsequent section or endorsement, the following exclusions are applicable to all sections of this policy. This policy does not cover in whole or in part, arising directly or indirectly out of, or resulting from any **personal injury, bodily injury, damages**, claim, **property damage**, damage to **insured property, wrongful act, wrongful employment practice act**, suit, cost, expense, or any other type of loss, however characterized for:
1. **Aircraft.** Resulting from or arising out of the ownership, maintenance, use, including loading or unloading, or entrustment to others of any **aircraft**, airfields, runways, or fueling stations related to aviation activities.
 2. **Asbestos, Dioxin, Polychlorinated Biphenyls or PFAS (Perfluoroalkyl and Polyfluoroalkyl Substances).** Loss, damage, liability, cost or expense caused by, resulting from, contributed to, aggravated by or in any manner related, whether voluntary, imposed by law, or required by administrative rulings of a governmental agency, to:
 - a. The manufacture of, use of, sale of, transportation of, storage or disposal of, installation of, removal of, abatement of, distribution of, containment of, or exposure to asbestos, asbestos products, asbestos-containing material, asbestos fibers, asbestos dust, dioxin, polychlorinated biphenyls, or PFAS; or
 - b. The actual or threatened abatement, mitigation, removal or disposal of asbestos, asbestos products, asbestos-containing material, asbestos fibers, asbestos dust, dioxin, polychlorinated biphenyls, or PFAS; or
 - c. Any supervision, instructions, recommendations, warnings, or advice given, or which should have been given in connection with parts a. and b. above; or
 - d. Any obligation of the **named insured** to indemnify or contribute with any party in connection with parts a., b., or c. above.
 3. **Bids or Estimates.** Arising out of estimates of probable costs, or cost estimates being exceeded, or for faulty preparation of bid specifications or plans, or failure to comply with bid statutes.
 4. **Civil and Criminal Penalties.** Resulting from any civil penalties, criminal penalties, fines, or obligations to pay for public services rendered where such obligation is imposed or provided for pursuant to any federal, state, or local law, statute, ordinance, or regulation, however characterized, except as expressly provided elsewhere, herein.
 5. **Claims by Members against Past or Present Public Officials.** The interest of any past or present employee, elected official, or agent arising out of any claim for money **damages**, monetary reimbursement or specific performance brought against such employee, elected official or agent by the **named insured** by whom the public official, employee, elected official or agent was employed or retained. Also excluded are those claims brought by an elected official, or by one appointed to fill an elected position for a **named insured** against another official of the same **named insured**, or the **named insured** itself, arising out of a dispute or interpretation involving the relative governmental authority of the elected officials of the **named insured**.
 6. **Communicable Disease.** Arising out of the actual or alleged transmission of a **communicable disease**. This exclusion applies even if the claims against an **insured** allege negligence or other wrongdoing in the:
 - a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a **communicable disease**;
 - b. Testing for a **communicable disease**;
 - c. Failure to prevent the spread of the **communicable disease**; or

- d. Failure to report the **communicable disease** to authorities.
7. **Communications.** Arising directly or indirectly out of any action or omission that violates or is alleged to violate:
- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - c. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
 - d. Any federal, state, or local statute, ordinance, or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
8. **Contractual Liability.** The alleged harm for which compensation is sought derives from:
- a. The performance or nonperformance of terms of a contract, whether written, oral, or implied, or concerns the measure of payment related to contract performance, derives from fines, penalties or administrative sanctions imposed by a governmental agency, or is generated by intergovernmental determination, calculation, handling, or allocation of funds according to the law. The claims for which this policy provides defense and indemnification must arise out of conduct of a tortious nature or be premised upon allegations of unlawful violation of civil rights pursuant to state or federal law.
 - b. The interests of the State of Idaho or the United States Government, or their officers, agents, employees, volunteers, officials, or trustees, for their conduct and activities arising out of or in any way related to any written, oral, or implied contract or agreement with **you**, or otherwise. Each governmental entity shall be responsible for its own conduct and activities under any contract.
9. **Course and Scope.** Resulting from an act or omission outside the course and scope of employment.
10. **Criminal and Malicious Acts.** Resulting from an act performed with malice or criminal intent. This exclusion applies regardless of whether an **insured** is charged with, or convicted of, a crime.
11. **Cyber Liability.**
- a. Any claim, notification costs, credit monitoring expenses, forensic expenses, loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data and media; public relations expenses or any other loss; costs or expenses arising directly or indirectly out of, resulting from, caused by or contributed to by losses related to computer-connected access to and/or computer disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information, except for that data that is required to be disclosed under the Idaho Public Records Act; or
 - b. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility, including but not limited to computer virus. For this exclusion, computer virus shall mean a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'; or
 - c. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set; or

- d. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the **insured** to conduct business; or
 - e. The failure of any of the following, whether owned by you or others due to the inability of these items to correctly recognize, process, or accept one or more dates or times as their true calendar date or time:
 - (1) Data processing equipment, software, data, or media;
 - (2) Hardware or software-based computer operating systems;
 - (3) Microprocessors;
 - (4) Integrated circuits; or,
 - (5) Any other electronic equipment, computerized equipment, or similar devices;
12. **Economic or Trade Sanctions.** For any payment hereunder if to do so would be in violation of any sanctions law or regulation which would expose **us** to any penalty under any sanctions law or regulation.
13. **Earth Movement.** Resulting from subsidence, settling, sinking, slipping, falling away, caving in, shifting, eroding, mud flow, rising, tilting, or any other land or earth movement, including earthquake.
14. **Eminent Domain.** The operation of the principles of eminent domain, condemnation proceedings, inverse condemnation, annexation, regulatory takings, land use regulation, or planning and zoning activities or proceedings, however any such matters may be characterized, whether such liability accrues directly against **you** or by virtue of any agreement entered into by or on **your** behalf.
15. **Employee Benefits.**
- a. Arising directly or indirectly out of the failure of any investment in or by any **employee benefit program** including but not limited to stocks, bonds, or mutual funds to perform as represented by an **insured** or by any party authorized by an **insured** to offer benefits to employees.
 - b. Arising directly or indirectly out of the negligence, financial failure, or breach of contract by any health or employee benefit provider that the **named insured** contracts with to provide employee benefits.
 - c. Based upon an **insured's** failure to comply with any law concerning worker's compensation, unemployment insurance, social security, or disability benefits.
 - d. Arising out of an insufficiency of funds to meet any obligations under any plan included in the **employee benefit program**.
 - e. For benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **insured**, from the applicable funds accrued or other collectible insurance.
 - f. For errors in providing information on past performance of investment vehicles or advice given by an **insured** to participate or not to participate in or by any **employee benefit program**.
 - g. Arising directly or indirectly out of insolvency, poor performance, misrepresentation, or any other wrongful conduct of any **employee benefit program** provider.
 - h. Arising directly or indirectly out of **your** activities imposed on **you** under any of the following laws:
 - (1) The Employee Retirement Income Security Act of 1974(ERISA) including any subsequent amendments or any similar federal, state, or local law or regulation; or

- (2) The Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utilities Holding Act of 1935, the Pool Indenture Act of 1939, the Investment Company Act of 1940, or any State Blue Sky Laws; or
 - (3) The Jones Act, general maritime law, the Federal Employers Liability Act, Federal Employee Compensation Act, the Defense Base Act or the U.S. Longshoremen and Harbor Workers' Compensation Act.
16. **Employee Defendants in Criminal Actions.** A *named insured* to make payments pursuant to Idaho Code § 6-610A, which provides for the payment of defense costs on behalf of certain employees of governmental entities who are named as defendants in a criminal action.
17. **Fungi.** Any nature directly or indirectly caused by, aggravated by, arising out of, contributed to or resulting from or produced by, or in any manner related to, whether voluntary, imposed by law, or required by administrative rulings of a governmental agency, by:
 - a. Any fungus(i) or spore(s);
 - b. Any solid, liquid, vapor or gas produced by or arising out of any fungus(i) or spore(s);
 - c. Any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(i) or spore(s);
 - d. Any intrusion, leakage, or accumulation of water or any other liquid that contains, harbors, nurtures or acts as a medium for fungus(i) or spore(s);
 - e. The actual or threatened abatement, testing for, monitoring, cleaning up, containing, treating, detoxifying, neutralizing, remediating, mitigation, removal or disposal of fungus(i) or spore(s) or any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(i) or spore(s);
 - f. The actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
 - g. The renovation of buildings and premises for the removal or other treatment of fungi or bacteria.
 - h. Any loss of use or delay in rebuilding, repairing or replacing property, including any associated cost or expense, due to interference at the property or location of the rebuilding, repair or replacement, by fungi or bacteria
 - i. A microbial contamination
 - j. Any supervision, instructions, recommendations, warnings, or advice given, or which should have been given in connection with subparagraphs a. through e. above; or
 - k. Any obligation to indemnify or contribute with any party in connection with subparagraphs a. through f. above. For this exclusion fungus(i) includes, but is not limited to, any form or type of mold, mushroom or mildew and spore(s) include any reproductive body produced by or arising out of any fungus(i).
18. **Hostile or Warlike.**
 - a. Hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack by any:
 - (1) Government or sovereign power (de jure or de facto);
 - (2) Military, naval or air force; or

- (3) Agent or authority of any party specified in (1) or (2) above.
 - b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion, or radioactive force, whether in time of peace or war and regardless of who commits the act.
 - c. Insurrection, rebellion, revolution, civil war, mutiny, uprising, military or usurped power, confiscation by order, martial law, or action taken by governmental authority in hindering, combating, or defending against such an event.
 - d. Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
 - e. Risks of contraband, or illegal transportation or trade.
19. **Limits on Defense of Claims or Suit.** Notwithstanding any other provision of this policy, **we** will have no duty to investigate or defend any claim, **suit**, dispute, disagreement, or other proceeding seeking relief or redress in any form other than money **damages**, including but not limited to costs, fees, fines, penalties or expenses which any **insured** may become obligated to pay as a result of a consent decree, settlement, adverse judgment for declaratory relief or injunctive relief. Such denial of investigation or defense includes, but shall not be limited to any claim, **suit**, dispute, disagreement, or other proceeding:
- a. By or on behalf of any **named insured**, whether directly or derivatively, against:
 - (1) Any other **named insured**; or
 - (2) Any other federal, state or local governmental entity or political subdivision.
 - b. By the spouse, domestic partner, child, parent, brother, or sister of any **insured** for consequential injury as a result of any injury to an **insured**; or
 - c. Involving any intergovernmental agreement where any **named insured** is a party to the agreement(s); or
 - d. Unless specifically stated in the applicable coverage section, no coverage exists where there is no demand for **damages**.
20. **Incidental Medical Liability.** The rendering of or failure to render the following professional health care services:
- a. Medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
 - b. Any professional medical service by a physician, except supervisory physicians as defined by Idaho Code § 6-902A (2) (b), and only when performing those duties as outlined in Idaho Code § 6-902A (2) (a).; or
 - c. Any professional medical service by a physician's assistant, nurse practitioner or nurse; or
 - d. Furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.
21. **Intentional Acts.** An act or omission intended or expected or deliberated on from the standpoint of any **insured** to cause **personal injury, bodily injury or property damage** to others or damage to **insured property**. This exclusion applies even if the **personal injury, bodily injury or property damage** is of a different kind or degree, or is sustained by a different person or property, than that intended or expected or deliberated on. This exclusion shall not apply to a claim resulting from the use of reasonable force to protect persons or property, or in the performance of a duty of the **insured**.

22. **Intergovernmental Claims.** Alleging loss or damage arising or in any way related to a dispute or disagreement between an ICRMP member and another governmental entity, including another political subdivision, a state or the government of the United States involving any of the following:
- a. Claims of loss or damage between an ICRMP member and another governmental entity wherein there has been no **accident** or allegation of actual **bodily injury** or **property damage**.
 - b. The respective authority of public agencies to use governmental powers, irrespective of the style or nature of such claim.
 - c. The respective duty of public agencies to use governmental powers, irrespective of the style or nature of such claim.
 - d. Intergovernmental disputes or disagreements concerning the exercise of powers or acceptance or assignment of duties by governmental entities to carry out public activities whether **damages** are claimed as a result of such dispute or disagreement, or not.
 - e. Claims in any way related to allocation of financial responsibilities between or among public agencies.
23. **Investigatory, Disciplinary or Criminal Proceedings.** Any investigatory, disciplinary, or criminal proceeding against an **insured**, except that **we** may at **our** own option, associate counsel in the defense of any such investigatory, administrative, or disciplinary proceeding. Should **we** elect to associate counsel, such election shall not constitute a waiver or estoppel of any rights **we** may have pursuant to the terms, conditions, exclusions, and limitations of this policy.
24. **Lead.** Or contributed to by lead as described in parts a. through d. below:
- a. **Bodily injury, property damage** or **personal injury** arising out of, resulting from, caused by or contributed to by the toxic or pathological properties of lead, lead compounds or lead contained in any materials;
 - b. Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
 - c. Any supervision, instructions, recommendations, warnings, or advice given, or which should have been given in connection with parts a. or b. of this subsection above; or
 - d. Any obligation to share **damages** with or repay someone else who must pay **damages** in connection with parts a., b. or c. of this subsection.
25. **Library Materials.** Stemming from allegations pertaining to any material accessed through a library, including a book, drawing, painting, film, video, audio, or digital medium, which is claimed to be harmful to a minor, whether derived through the medium of reading, observation or sound, in which the content of such material is alleged to be obscene, pornographic, depict nudity of any kind, sexual conduct of any kind, or sado-masochistic abuse of any kind, harmful to minors, or in violation of any section contained in Idaho Code Title 18, Chapter 15, or any other local, state or federal law or rule, now in existence or adopted in the future, pertaining to the protection of minors. In addition, we will not cover any claim brought for enforcement or compliance with state law pertaining to duties relating to the protection of minors.
26. **Miscalculation or Legality of Assessments.** Involving miscalculation or legality of assessments, adjustments, disbursements, fees, licenses or the collection of taxes, fines, or penalties, including those imposed under the Internal Revenue Code or any state or local law, however described.
27. **Nuclear, Chemical and Biological Incident.** Directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this policy, contributing concurrently or in any other sequence to the loss from:

- a. Nuclear detonation, reaction, radiation, radioactive contamination or hazardous properties of nuclear material of any type, however caused or characterized, including any loss or damage by fire resulting therefrom;
 - b. The dispersal, application or release of, or exposure to, chemical or biological materials or agents that are harmful to property or human health, whether controlled or uncontrolled, or due to any act or condition incidental to any of the foregoing, whether such loss be proximate or remote, or be in whole or in part caused by, contributed to or aggravated by any physical loss or damage insured against by this policy, however such dispersal, application, release or exposure may have been caused.
28. **Opinion, Treatment, Consultation or Service.** Based upon or attributable to the rendering or failure to render any opinion, treatment, consultation, or service, if such opinion, treatment, consultation, or service was rendered or failed to have been rendered while any **insured** was engaged in any activity for which they received compensation from any source other than as a public entity or an employee of a public entity.
29. **Pollution.** This is an absolute pollution exclusion. It is the intention of **you** and **us** that there is absolutely no coverage arising out of or relating to **pollutants**, however characterized, or defined. This policy does not cover any injury, loss, damage, costs, fines, penalties, or expenses of any kind directly or indirectly arising out of the actual, alleged, or threatened existence, discharge, dispersal, release or escape of **pollutants** or negligence in any way related thereto:
- a. At or from **premises** any **insured** now, or in the past, has owned, rented, or occupied, including but not limited to **premises** that any **insured** has operated or managed as an involuntary possessor; or
 - b. At or from any site or location used by or for any **insured** or others for the handling, storage, disposal, processing, or treatment of waste at any time; or
 - c. That at any time involves the transportation, handling, storage, treatment, disposal, or processing by or for any **insured** or any person or organization for whom any **insured** may be legally responsible:
 - (1) At or from any site or location on which any **insured** or any contractors or subcontractors working directly or indirectly on any **insureds** behalf are performing operations; or
 - (2) If the **pollutants** are brought on or to the site or location in connection with such operations; or
 - (3) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**;
 - d. Whether caused or alleged to have been caused by any **insured** or any other person, entity or third-party, however characterized; or
 - e. Arising out of any direction, request or order of any governmental agency, court of law, or other authority, that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants**, including any and all costs or attorney's fees associated therewith; or
 - f. Arising out of the failure of any **insured** to prevent or regulate **pollutants** generated or caused by any other person, entity, or third-party, however characterized; and
 - g. This exclusion shall not apply to tear gas or mace as applied by law enforcement personnel within the course and scope of their duties.
30. **Professional Board.** Any **insured** arising out of the rendering of or failure to render services as a member of a formal accreditation or similar board or committee of an **insured**, or as a person charged with the duty of executing directives of any such board or committee or officer or director, or other official of any organization, other than the **named insured**. This exclusion does not apply if an **insured** is serving at the direction of or on behalf of the **named insured** and is acting within the course and scope of their duties as such.

31. **Punitive Damages.** For exemplary or punitive **damages**, however characterized.
32. **Silica.** Any nature directly or indirectly caused by, resulting from or contributed to, aggravated by or in any manner related to silica or silica-related dust as described in paragraphs a. and b. below:
 - a. **Bodily injury, property damage, or personal injury** arising out of, resulting from, caused by, or contributed to by silica or silica-related dust, exposure to silica or silica-related dust or the use of silica, except for road or pedestrian way maintenance applications or operations;
 - b. Any **damages**, loss, cost, or expense arising out of any:
 - (1) claim or **suit** by or on behalf of any governmental authority or any other alleged responsible party because of, or request, demand, order or statutory or regulatory requirement that any **insured** or any other person or entity should be, or should be responsible for:
 - (i) Assessing the presence, absence, amount or effects of silica;
 - (ii) Identifying, sampling, or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
 - (iii) Responding to silica in any way other;
 - (2) supervision, instructions, recommendations, warnings or advice given, or which should have been given in connection with any of the paragraphs a. or b. above; or
 - (3) obligation to share **damages** with or repay someone else in connection with any of the provisions of paragraphs a. or b. above.
33. **Third Party Rights.** This policy is solely between **us** and **you**. Nothing in this policy shall in any manner create any obligations or establish any rights of action against **us** in favor of any third parties, or persons not parties to this policy, including but not limited to claimants against **you** or **us**.
34. **Terrorism.** Directly or indirectly caused by, resulting from or in connection with or any action taken in controlling, preventing, or suppressing **terrorism** whether controlled or uncontrolled, proximate, or remote, sudden or over any length of time, or which is contributed to or aggravated by any other cause or event. Such **terrorism** is excluded regardless of any other cause or event occurring concurrently or in any sequence with such **terrorism**, whether followed by fire or other perils, and whether certified as **terrorism** or not by the United States government.
35. **Wages.** Any claim for back wages or legal penalties to which an employee is lawfully entitled for work performed, including any claim for wages, **damages**, liquidated damages or any other form of compensation, however characterized, pursuant to, or derived in any way, from an employer's responsibility to comply with the Fair Labor Standards Act or other state or federal statute directing the manner or amount of payment of compensation to employees.
36. **Watercraft.** Involving the ownership, maintenance, or use, including loading, and unloading, or entrustment to others of any watercraft over fifty (50) feet in length.
37. **Workers' Compensation and Other Benefits Laws.** Any obligation for which **you** may be held liable under any workers' compensation, unemployment compensation, disability benefits, or employer's liability law, or under any similar federal, state, or local law, ordinance, rule, or regulation, however characterized, as well as any claim or **suit** by a spouse, domestic partner, child, parent, or sibling of an **insured** as a consequence of **personal injury** to an **insured**.

SECTION V – PROPERTY INSURANCE

A. Property Insurance Provided

The following insurance provided is applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the below insurance provided is subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this section. These coverages as stated and sublimited below are subject to the applicable overall limit of insurance within section V which is \$200,000,000 per **occurrence** and this limit is for all property coverages and all limits of insurance combined with all ICRMP public entity members collectively. This section covers property, as described herein, against all risks of direct physical loss of or direct physical damage to, except as excluded.

1. **Buildings, Structures and Property.** *We* agree to pay *you*, or on *your* behalf, for an **occurrence** against direct physical loss of or direct physical damage, including **terrorism**, **earth movement** and **flood**, to **your insured property** provided such loss or damage occurs during the **policy period** specified in the declaration pages.
 - a. **Additional Coverages.** This section includes various additional coverages for physical loss or damage. These additional coverages below will only apply after coverage is afforded under the insurance provided for buildings, structures, and property. The sublimits stated below are a part of, and not in addition to, the overall combined policy limit of insurance of all public entity members collectively as stated above. Also, each sublimit below is the maximum amount potentially recoverable for all insured loss, damage, expense, time element or other insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location, or peril. Each sublimited additional coverage below is subject to all policy provisions and this section's provisions, including applicable exclusions and deductibles, and apply on a per **occurrence** basis, unless otherwise stated. The additional coverages are as follows:
 - (1) **Claim Preparation Fees and Expenses.** This additional coverage provides for the actual costs *you* incur for reasonable fees payable to *your* accountants, architects, auditors, engineers, or other professionals for producing and certifying any particulars or details contained in *your* books or documents, or such other proofs, information or evidence required by us resulting from an insured loss payable under this section for which *we* have accepted coverage. Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them. Claim preparation fees and expenses are limited to a maximum of \$100,000 per **occurrence**.
 - (2) **Debris Removal.** This additional coverage provides for the reasonable and necessary costs incurred to remove debris from **your insured property** that remains as a direct result of physical loss or damage resulting from an insured loss payable under this section for which *we* have accepted coverage. This additional coverage does not cover the costs of removal of contaminated uninsured property or the contaminant in or on uninsured property whether or not the contamination results from insured physical loss or damage. Contamination includes, but is not limited to, the presence of a **pollutant** or hazardous material. Debris removal expenses are limited to \$2,500,000 or 25% of the loss, whichever is the lesser, per **occurrence**.
 - (3) **Increased Cost of Construction.** This additional coverage provides for the reasonable and necessary costs incurred, described below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures, resulting from an insured loss payable under this section for which *we* have accepted coverage provided. Increased cost of construction expenses is limited to a maximum of \$2,500,000 per **occurrence**. The specifics to this additional coverage are detailed as follows:
 - a. Such law or ordinance is in force on the date of insured physical loss or damage; and
 - b. Its enforcement is a direct result of such insured physical loss or damage; and

- c. This additional coverage does not cover any loss due to any law or ordinance with which **you** should have complied before the loss.
 - d. This additional coverage provides for the cost to repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance and the cost to:
 - (1) Demolish the physically undamaged portion of such property insured; and
 - (2) Rebuild it with materials and in a manner to satisfy such law or ordinance to the extent that such costs result when the total demolition of the physically damaged **insured property** is required to satisfy such law or ordinance.
 - e. This additional coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of contamination including but not limited to the presence of a **pollutant** or hazardous material.
 - f. The maximum liability for this additional coverage at each **insured property** in any occurrence will not exceed the actual cost incurred in demolishing the physically undamaged portion of the property insured plus the lesser of:
 - (1) The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or
 - (2) The cost of rebuilding on the same site.
- (4) **Fire Brigade Charges and Extinguishing Expenses.** This additional coverage provides for expenses resulting from a covered loss from fire brigade charges and any extinguishing expenses which you incur, and loss and disposal of fire extinguishing materials expended resulting from an insured loss payable under this section for which **we** have accepted coverage. These expenses are sublimited to \$25,000 per occurrence.
- (5) **Operational Disruption Expense.** This additional coverage provides for **operational disruption expenses** resulting from damage to **insured property** arising out of a covered loss under this section during the **period of restoration** resulting from an insured loss payable under this section for which **we** have accepted coverage. The maximum amount **we** will pay for all expenses related **to operational disruption expense** is \$2,500,000 per covered occurrence and includes all sublimits as listed below. The following sublimits apply:
- a. The maximum amount we will pay is \$250,000 for **operational disruption expenses** for any one occurrence or in the aggregate for multiple occurrences for damages involving actual interruption of the use of **your computer system** when caused by a covered loss, provided that the disruption is directly caused by damage to **your computer system**.
 - b. The maximum amount we will pay is \$500,000 for expediting expenses to cover the reasonable and necessary costs you incur to pay for the temporary repair of insured damage to **your insured property** and to expedite the permanent repair or replacement of such damaged property. This additional coverage does not cover costs recoverable elsewhere in this section or of permanent repair or replacement of damaged property.
 - c. The maximum amount we will pay is \$500,000 for leasehold interest loss and is subject to the following:
 - (1) If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
 - (2) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the **lease interest** for the first three months following the loss; and the **net lease interest** for the remaining unexpired term of the lease.

- (3) The leasehold interest does not insure any increase in loss resulting from the suspension, lapse or cancellation of any license, or from **you** exercising an option to cancel the lease; or from **your** act or omission that constitutes a default under the lease.
 - (4) In addition, there is no coverage for **your** loss of leasehold interest directly resulting from damage to contents or personal property.
- d. The maximum amount we will pay is \$500,000 for extra expense loss and is for the reasonable and necessary extra costs incurred by **you** of the following during the **period of restoration** resulting from an insured loss payable under this section for which **we** have accepted coverage and is outlined below:
- (1) Extra expenses to temporarily continue as nearly as **normal** as practicable the conduct of **your** operation and extra costs of temporarily using property or **your** facilities or others;
 - (2) Less any value remaining at the end of the **period of restoration** for property obtained in connection with the above.
- e. Extra expense does not cover:
- (1) Any loss of income.
 - (2) Costs that normally would have been incurred in conducting the operation during the same period had no physical loss or damage occurred.
 - (3) Cost of permanent repair or replacement of property that has been damaged or destroyed.
 - (4) Any expense recoverable elsewhere in this section.
- (6) **Property in the Course of Construction.** This additional coverage provides for projects in the course of construction up to a per occurrence limit of \$1,000,000 for each structure as listed per the **schedule of values** resulting from an insured loss payable under this section for which **we** have accepted coverage. This includes the necessary **soft costs**.
- (7) **Protection and Preservation of Property.** This additional coverage provides for reasonable and necessary costs incurred up to a per occurrence limit of \$250,000 for actions to temporarily protect or preserve **insured property**, provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such **insured property** resulting from an insured loss payable under this section for which **we** have accepted coverage. For this condition, reasonable and necessary includes, but is not limited to:
- a. Fire department fire-fighting charges imposed as a result of responding to a fire in, on or exposing the **insured property**;
 - b. Costs incurred of restoring and recharging fire protection systems following an insured loss; and
 - c. Costs incurred for the water used for fighting a fire in, on or exposing the **insured property**.
 - d. This additional coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.
- (8) **Valuable Papers and Records, and Electronic Data and Media.** This additional coverage provides for physical loss or damage to **valuable papers and records** and **electronic data and media** following physical damage or damage to **insured property** resulting from an insured loss payable under this section for which **we** have accepted coverage. The maximum amount **we** will pay for any one **occurrence** or in the aggregate for multiple **occurrences** is \$250,000 to restore data lost by **you** for an actual interruption of the use of **your computer system** when caused by a covered loss. The maximum amount **we** will pay for all other losses to **valuable papers and records** that are not electronic data or media is \$250,000 for any one **occurrence**. This additional coverage excludes loss or damage to property described below:

- a. Currency, money or securities;
 - b. Property held as samples or for sale for delivery after sale;
 - c. Errors or omissions in processing, programming, or copying unless physical damage not excluded by this policy results, in which event, this coverage will insure only such resulting damage.
2. **Mobile Equipment and Vehicle Physical Damage.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement** and **flood** to any **vehicle or mobile equipment** owned by **you**, or any **vehicle or mobile equipment** for which **you** have an obligation to provide adequate insurance because of an ownership or possessory interest, provided such loss or damage occurs during the **policy period** specified in the declaration pages.
 3. **Landscaping Items.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement** and **flood** for damage to **your** outdoor trees, shrubs, plants, or harvested crops. The most **we** will pay in any one **occurrence** is \$25,000.
 4. **Property of Employees or Volunteers.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement, and flood** for damage to **your** employee or volunteer-owned personal property located within **insured property** up to a per **occurrence** limit of \$50,000. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.
 5. **Vehicles or Mobile Equipment Owned by Employees or Authorized Volunteers.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement, and flood** for **vehicles or mobile equipment** owned by employees or authorized volunteers of the **named insured** while the **vehicles or mobile equipment** are being used by the employee or authorized volunteer on official business of the **named insured** up to a per occurrence limit of \$50,000. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.
 6. **Search and Rescue.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement, and flood** for **vehicles or mobile equipment** owned by employees or authorized volunteers of the **named insured** while the **vehicles or mobile equipment** are being used by the employee or authorized when engaged in search and rescue activities when actively participating in search and rescue mobilizations initiated by the Sheriff and is intended to provide primary insurance for that endeavor.
 7. **Property in Transit.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement and flood** for damage to **insured property**, while being transported by **you**, or on **your behalf**, up to a per **occurrence** and/or in the annual aggregate limit of \$250,000 per **policy period**. In the event of a loss to **your insured property** while being transported by others on **your** behalf, coverage provided shall be secondary to any primary coverage available to those transporting **your** property, and coverage only extends to **your insured property**, not the property of the transporters.
 8. **Unmanned Aircraft System.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement and flood** up to \$50,000 per **occurrence** for physical damage to unmanned aircraft (drones) weighing less than 55 pounds, flying at or below 400 feet above ground level, and incapable of travelling more than 100 miles per hour.
 9. **Newly Acquired Property.** We agree to pay **you**, or on **your** behalf, for an **occurrence** against direct physical loss of or direct physical damage including **terrorism, earth movement and flood** for damage to **insured property** rented, leased, purchased, or newly constructed by **you** after the inception date of this policy, but prior to the expiration date. All newly acquired property shall be reported to **us** via the **schedule of values** within one hundred twenty (120) days from the date of acquisition in order for coverage to continue and shall be limited to \$1,000,000.

B. Definitions Applicable to Property Insurance Provided

The following definitions are applicable to this section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Actual Cash Value"** means 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.
2. **"Computer System"** means a system of computer hardware, software, and associated electronic devices that **you** operate or own.
3. **"Cosmetic Damage"** means marring, pitting, denting or other superficial damage that altered the appearance of **insured property**, but such damage does not prevent the **insured property** from continuing to function normally as it did before the **cosmetic damage** occurred.
4. **"Coverings and Roof-Mounted Equipment"** means shingles, tiles, cladding, metal or synthetic, sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection or insulation, roof flashing, and any roof-mounted equipment attached to the building or structure.
5. **"Earthquake"** means a shaking or trembling of the earth that is tectonic or seismic in origin.
6. **"Earth Movement"** means any natural or man-made earth movement, including but not limited to **earthquake**, landslides, subsidence, or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical damage by fire, explosion, or sprinkler leakage resulting from **earth movement** will not be considered to be loss by **earth movement** within the terms and conditions of this section. All **earth movement** within a continuous 168-hour period will be considered a single **earth movement**; the beginning of such period shall be determined by **you**.
7. **"Electronic Data and Media"** means all forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.
8. **"Fine Arts"** means manuscripts; paintings; etchings; pictures; murals; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding **vehicles**, coins, stamps, precious metals, watercraft, **aircraft**, money, or securities.
9. **"Flood"** means a general and temporary condition of partial or complete inundation of normally dry land areas from:
 - a. Flood, or rising waters, waves, tide, or tidal water;
 - b. The unusual and rapid accumulation or runoff of surface water from any source; or,
 - c. Mudslide or mud flow caused by accumulation of water on or under the ground; the overflow of inland or tidal waters outside the **normal** watercourse or natural boundaries;
 - d. The release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray therefrom.
 - e. However, physical damage by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be loss by **flood** within the terms and conditions of this section. All flooding within a continuous 168-hour period will be considered a single **flood**; the beginning of such period shall be determined by **you**.
10. **"Flood Insurance Rate Map"** means the official map of a community on which the administrator has designated the special hazards area applicable to the community.
11. **"Functional Replacement Cost"** means the cost of replacing damaged **insured property** with similar property that will perform the same function but may not be identical to the damaged **insured property**.

12. **“Lease Interest”** means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of **your** lease for buildings or structures.
13. **“Net Lease Interest”** means that sum which placed at 3% interest rate compounded annually would equal the **lease interest** (less any amounts otherwise payable) for buildings and structures.
14. **“Occurrence”** means any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, snow or ice storm, hail, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief, one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing a loss, **you** may elect the moment at which the 72-hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the **insured property** occurs.
15. **“Operational Disruption Expense”** means costs incurred by the **named insured** in order to continue as nearly as practicable the **normal** operation of **your** public entity immediately following a covered loss. This includes the loss of any income, net of expenses, incurred during the **period of restoration** of the operation of the public entity.
16. **“Period of Restoration”** means that period of time that begins with the date of the direct physical loss of or direct physical damage to **insured property** and ends with the date when such part of the **insured property** as has been lost or damaged could, with the exercise of **your** due diligence or dispatch, be rebuilt, or replaced.
17. **“Replacement Cost”** means the cost to repair, rebuild, or replace with new materials of like kind, size, and quality, without deduction for depreciation.
18. **“Schedule of Values”** means those records describing **insured property** as entered into the ICRMP database by **you** or **your** independent insurance agent and kept on file with **us**.
19. **“Soft Costs”** means:
 - a. **Interest expense**;
 - b. General overhead-developer expenses and additional real estate taxes;
 - c. Legal or professional fees;
 - d. Marketing expenses and advertising expenses;
 - e. Debt service payments and insurance premiums;
 - f. Refinancing charges and bond interest;
 - g. Founders fees and miscellaneous operating expenses.
20. **“Special Flood Hazard Area”** means the areas of **flood insurance rate map** which are identified as Zones A, AO, AH, AI — A30, AE, A99, AR, AR/A, AR/AE, AR/A1 — A30, AR/AH, AR/A0, V, V1-V30, and VE. For purposes of determining which areas qualify as **special flood hazard areas** as specified above, only those **flood insurance rate maps** which were in effect at the time of the **flood** loss shall apply.
21. **“Vacant Property”** means a building is vacant if less than 10% of the total square footage is owned, rented or leased by **you** and contains inadequate contents to perform customary operations, excluding common areas such as lobbies and garages. Buildings under construction or renovation shall not be considered **vacant**.
22. **“Valuable Papers and Records”** means written, printed or otherwise inscribed documents, securities, and records including but not limited to books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.

23. **“Wind”** means any gust or sustained wind 50 miles per hour or more as identified by the National Weather Service or any other recognized meteorological authority.

C. Specific Conditions Applicable to Property Insurance Provided

The following conditions are applicable to this section only. They may amend conditions located in Section III General Conditions of this policy.

1. **Appraisal.** The appraisal process is available to determine the value of a covered loss but is not available to determine whether a loss is covered.
 - a. If **you** and **we** fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser. Each will notify the other of the appraiser selected within thirty (30) days of such demand. The two appraisers shall first select a competent, disinterested umpire. If the two appraisers fail to agree upon an umpire within thirty (30) days, **you** and **we** shall jointly move to have an umpire selected by a district judge in the State of Idaho to select an umpire. The appraisers shall then identify each item of physical damage or loss and appraise the amount of loss. The appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **actual cash value** and **replacement cost** value as of the date of loss and the amount of loss, for each item of physical loss or damage. If the appraisers fail to agree within fourteen (14) days, they shall submit their differences to the umpire.
 - b. The umpire shall review the appraisals prepared by the appraisers selected by **you** and **us** and shall inspect the property prior to preparing the appraisal. The appraisers for **you** and **us** shall be afforded the opportunity to attend the umpire's inspection of the property and provide sufficient input to allow the umpire to understand the nature and reasons for the differences between the appraisals. After inspecting the property and receiving input from the appraisers, the umpire shall identify each item of physical loss or damage and shall appraise the amount of loss for each item. The umpire's appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **actual cash value** and **replacement cost** value as of the date of the loss. An award agreed to in writing by any two of the three appraisers will determine the amount of loss. The appraisal award is subject to all terms of the coverage document and may be reduced by the application of a deductible called for by this policy.
 - c. **You** and **we** will each:
 - (1) Pay its chosen appraiser; and
 - (2) Bear equally the other expense of the appraisal and umpire.
 - (3) A demand for appraisal shall not relieve **you** of **your** continuing obligation to comply with the terms and conditions of this policy. **We** will not be held to have waived any of its right by any act relating to appraisal.
2. **Borrowed Vehicles from Other Public Entities. Vehicles** that are loaned to **you** from other public entities, for less than ninety (90) days, and used for official business, are not required to be listed on the **schedule of values**.
3. **Consequential Reduction in Value.** This section covers the reduction in value of insured merchandise that is a part of pairs, sets or components, directly resulting from physical loss or damage insured by this section to other insured parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, **you** will surrender the undamaged parts of such merchandise to **us**.
4. **Deductibles.** In each case of loss covered by this section, **we** will not pay for loss or damage in any one **occurrence** until the amount of loss or damage exceeds the applicable deductible listed on the declarations page or within this section. We will then pay the amount of loss or damage in excess of the applicable deductible, up to the applicable limit of insurance.
 - a. Unless otherwise stated, if more than one deductible amount applies to loss or damage in any one covered **occurrence**, the total of the deductible amounts applied in that **occurrence** will not exceed the amount of the largest applicable deductible, or

- b. If the applicable deductible is stated as a percentage of the loss, reimbursable indemnity payments made to **you** or on your **behalf** by **us** shall be reduced by the deductible percentage stated in the declarations page or within this section.
- c. Flood Type 1: As respects buildings or structures wholly or partially situated in a **special flood hazard area** the following deductibles shall apply separately for loss from the peril of **flood**, as covered and defined under the National Flood Insurance Program:
- (1) For all coverages insured against under this section, if **you** purchase coverage from the National Flood Insurance Program, the deductible shall be the greater of the amount recoverable from the National Flood Insurance Program or the **actual cash value**, not to exceed \$500,000. This deductible shall apply for each building or each structure for real property, and for contents at each building or each structure.
 - (2) For all coverages insured against under this section, if **you** do not purchase coverage from the National Flood Insurance Program, or the property is not eligible for coverage from the National Flood Insurance Program, or in the event the National Flood Insurance Program lapses or is discontinued, the deductible shall be \$ 500,000 at each building or each structure for real property, \$500,000 for contents at each building or each structure, and \$500,000 each for any other **insured property**.
 - (3) If the community is participating in the Emergency Program under the National Flood Insurance Program, \$500,000 as noted within this condition: Deductibles, a. (1) above is replaced with \$100,000. If the property is eligible for coverage in the Emergency Program, \$500,000 as noted within this condition, Deductible a. (2) is replaced with \$100,000.
 - (4) However, these deductibles shall not apply to **insured property** located outside of an area designated as a **special flood hazard area** nor to ensuing physical loss, or damage or destruction not otherwise excluded herein. Further, the deductibles described under this condition, a., paragraphs (1), (2), and (3) above shall apply individually.
- d. Flood Type 2: For all other **flood** losses, the deductible shall be as stated on the declarations pages at the beginning of this policy.
- e. Gymnasium Floor: For covered losses to gymnasium floor(s) resulting in damage caused by water, except **flood**, the deductible shall be a percentage of the loss as stated on the declarations page at the beginning of this policy.
- f. Hail: For covered losses resulting in damage caused by hail, the deductible shall be a percentage of the loss as stated on the declarations page at the beginning of this policy.
- g. Weight of Snow. For covered losses resulting in damage caused by weight of snow, the deductible shall be a percentage of the loss as stated in the declarations page at the beginning of this policy.
- h. Wind: For covered losses resulting in damage caused by **wind**, the deductible shall be a percentage of the loss as stated on the declarations page at the beginning of the policy.
- i. As respects losses from other covered losses, a deductible per occurrence for **insured property** shall be as stated on the declarations pages at the beginning of this policy.
5. **Earthquake**. The sublimit for **earthquake**, as listed on the declarations page, is the maximum amount potentially recoverable by all ICRMP Public Entity Members combined insured losses, damages, expenses, or time element losses or other insured interest arising from or relating to such an **occurrence**. All other sublimits are a part of, and do not increase, the **earthquake** sublimit.
- a. All earthquake coverage is subject to an earthquake aggregate limit of \$62,500,000 for each occurrence and each **policy period**. The earthquake aggregate limit is a shared limit among all ICRMP Public Entity Members, and is the most **we** will pay per occurrence for all ICRMP Public Entity Members covered under any policy period.

- b. If the earthquake aggregate limit is exceeded, the amount recoverable by any **named insured** will be reduced pro rata in the same proportion that the loss of the **named insured** bears to the total amount of loss of all **named insureds**.
 - c. **We** may pay claims on a provisional basis until all covered losses for a particular **policy period** are resolved, as determined by **us**. If **we** determine that the earthquake aggregate limit may be exceeded, **we** may delay claim payments until **we** determine that all liabilities and expenses for a **policy period** have been resolved.
 - d. Once all covered losses for a policy period are resolved, **we** will give notice to all **named insureds** with **claims** of their pro rata share of covered losses. If a **named insured** received claim payments in excess of its pro rata share, the **named insured** will remit the excess amount to us within thirty (30) days of the date on which **we** give notice. If a **named insured** received claims payments that are less than its pro rata share, **we** will remit the deficiency to the **named insured** within thirty (30) days of the date on which **we** receive the last payment due from **named insureds** who received claims payments in excess of their pro rata shares.
 - e. For purposes of the earthquake aggregate limit, determinations made by **us** relating to the earthquake aggregate limit will be made in **our** sole and absolute discretion.
6. **Flood.** The sublimit for **flood**, as listed on the declarations page, is the maximum amount potentially recoverable by all ICRMP Public Entity Members for combined insured losses, damages, expenses, time element, or other insured interest arising from or relating to such an **occurrence**. All other sublimits are a part of, and do not increase, the **flood** sublimit. Further, if **flood** occurs in conjunction with **earthquake**, the **flood** sublimit applies within and erodes the sublimit for that **earthquake** or **earth movement**.
- a. All flood coverage is subject to a flood aggregate limit of \$62,500,000 for each occurrence of Flood Type 2, and \$12,500,000 for each occurrence of Flood Type 1, and each **policy period**. The flood aggregate limit is a shared limit among all ICRMP Public Entity Members and is the most **we** will pay per occurrence for all ICRMP Public Entity Members covered under any policy period.
 - b. If the flood aggregate limit is exceeded, the amount recoverable by any **named insured** will be reduced pro rata in the same proportion that the loss of the **named insured** bears to the total amount of loss of all **named insureds**.
 - c. **We** may pay claims on a provisional basis until all covered losses for a particular **policy period** are resolved, as determined by **us**. If **we** determine that the flood aggregate limit may be exceeded, **we** may delay claim payments until **we** determine that all liabilities and expenses for a **policy period** have been resolved.
 - d. Once all covered losses for a policy period are resolved, **we** will give notice to all **named insureds** with **claims** of their pro rata share of covered losses. If a **named insured** received claim payments in excess of its pro rata share, the **named insured** will remit the excess amount to **us** within thirty (30) days of the date on which **we** give notice. If a **named insured** received claims payments that are less than its pro rata share, **we** will remit the deficiency to the **named insured** within thirty (30) days of the date on which **we** receive the last payment due from **named insureds** who received claims payments in excess of their pro rata shares.
 - e. For purposes of the flood aggregate limit, determinations made by **us** relating to the flood aggregate limit will be made in **our** sole and absolute discretion.
7. **Pipes or Fittings Failure.** The sublimit for damage to **insured property** resulting from pipes or fittings failure, as listed on the declarations page, is the maximum amount potentially recoverable for insured loss, damage, expense, or time element loss or other insured interest arising from or relating to such an **occurrence**. All other sublimits are a part of, and do not increase, this sublimit.

8. **Schedule of Values.**

- a. All **vehicles**, watercraft, buildings, outdoor structures, and a summary accounting value of all items included as contents associated with a building, must be identified in the **schedule of values**.
 - b. All **mobile equipment, unmanned aircraft system** and watercraft with an individual value greater than \$25,000 must be identified in the **schedule of values**.
 - c. All other **mobile equipment, unmanned aircraft system** and watercraft with an individual value less than \$25,000 does not need to be listed as individual items in the **schedule of values**. These items must be summarized and listed as one value that encompasses all items per member.
 - d. It is **your** responsibility, working with **your** independent insurance agent or reporting directly to **us** via the **schedule of values**, to make sure all **insured property** is listed on **your schedule of values** as detailed in items (a.) through (c.) above.
 - e. Items **you** list on the **schedule of values**, but excluded by the language within this policy, are not covered.
9. **Valuation of Loss.** Adjustment of the physical damage loss amount under this section will be computed as of the date of loss at the insured property, and for no more than your interest in the insured property, subject to the applicable sublimits either stated in the below text or on the declaration pages:

- a. On contents inside or associated with a building or structure, we shall not pay for loss or damage in excess of the stated summary blanket value per location as listed on the **schedule of values you** have on file with **us**. Additionally, the loss amount will not exceed the lesser of the following:
 - (1) The cost to repair contents;
 - (2) The cost to rebuild or replace contents on the same site with new materials that are like size, kind and quality;
 - (3) The selling price of machinery and equipment, other than stock, offered for sale on the date of loss;
 - (4) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
 - (5) The unamortized value of improvements and betterments to contents, if such property is not repaired or replaced at **your** expense; or
 - (6) The **actual cash value** if such contents is:
 - (i) Useless to **you**; or
 - (ii) Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.
 - (7) **You** may elect not to repair or replace **insured property** lost, damaged, or destroyed. Loss settlement may be elected on the lesser of repair or **replacement cost** basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two years from the date of loss. As a condition of collecting on this item, such expenditure must be unplanned as of the date of loss and be made at an **insured property** under this section.
- b. On **mobile equipment, watercraft, unmanned aircraft systems, and vehicles**:
 - (1) For **mobile equipment, watercraft, unmanned aircraft systems** or **vehicles** purchased within the last 12 months from the date of loss, we will pay the lesser of cost to repair or the original purchase price of the totaled **mobile equipment, watercraft, unmanned aircraft systems, or vehicles**.

- (2) For **mobile equipment**, watercraft, **unmanned aircraft systems** or **vehicles** that were purchased greater than 12 months from the date of loss, **we** will be the lesser of the **actual cash value**, the cost to repair, or no more than 110% of the value stated as listed on the **schedule of values you** have on file with us.
 - (3) If **mobile equipment**, watercraft, **unmanned aircraft systems** or **vehicles** are not repaired or replaced, **we** will pay no more than the **actual cash value**.
 - (4) For **mobile equipment**, watercraft, **unmanned aircraft systems** or **vehicles** that are leased or rented, we will not pay any expense related to any outstanding finance expenses included in the leasing agreement nor the full value of the lease agreement,
- c. Stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- d. Property in transit:
- (1) Property shipped to or on **your** account will be valued at **your** actual invoice. Included in the value are accrued costs and charges legally due. Charges may include **your** commission as selling agent.
 - (2) Property **you** sold and shipped to or for the purchaser's account will be valued at **your** selling invoice amount. Prepaid or advanced freight costs are included.
 - (3) Property not under invoice will be valued at the actual cash market value at the description point on the date of **occurrence** less any charges saved which would have become due and payable upon arrival at destination.
- e. Finished goods manufactured by **you**, the regular cash-selling price at the **insured property** where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- f. Raw materials, supplies and other merchandise not manufactured by **you**:
- (1) If repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property, or
 - (2) If not repaired or replaced, the **actual cash value**.
- g. **Fine arts** articles, the lesser of and not to exceed \$1,000,000 per occurrence only if the item cannot be replaced with other like kind and quality:
- (1) The reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss;
 - (2) Cost to replace the article; or
 - (3) Current market value at time of loss.
 - (4) In the event a **fine arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, **we** will be liable for the lesser of the full value of such pair or set or the amount designated on the **schedule of values**, not to exceed our sublimit as stated above or in the declarations pages. **You** agree to surrender the pair or set to **us**.
- h. **Valuable Papers and Records**, and **Electronic Data and Media**.
- (1) On data, programs or software stored on electronic, electro-mechanical, or electro-magnetic data processing or production equipment:

- (i) The cost to repair, replace or restore data, programs or software including the costs to recreate research and engineer;
 - (ii) If not repaired, replaced, or restored within two years from the date of loss, the blank value of the media.
- (2) On all other **Valuable Papers and Records**, and **Electronic Data and Media**, the lesser of the following:
- (i) The cost to repair or restore, including the cost to recreate, research and engineer the item to the condition that existed immediately prior to the loss;
 - (ii) The cost to replace the item.

i. **Vacant Property:**

- (1) if the building or leased **premises** has been **vacant** for a period of more than ninety (90) consecutive days before the loss or damage occurs, **we** will not pay for any loss or damage caused by any of the following:
- (i) Vandalism
 - (ii) Sprinkler leakage
 - (iii) Building glass breakage
 - (iv) Water damage
 - (v) Theft, or attempted theft
- (2) With respect to direct physical loss or damage, other than from caused listed above, and not otherwise excluded by this policy, **we** will reduce the amount **we** would otherwise pay for the loss or damage by 15%.

j. On all other **insured property**, **we** shall not pay for loss or damage in excess of 110% of the stated value per location, as listed on the **schedule of values you** have on file with us. Additionally, the loss amount will not exceed the lesser of the following:

- (1) The cost to repair;
- (2) The cost to rebuild or replace on the same site with new materials that are like size, kind and quality;
- (3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
- (4) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;
- (5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
- (6) The increased cost of demolition, if any, resulting from loss covered by this section, if such property is scheduled for demolition;
- (7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at **your** expense; or
- (8) The **actual cash value** if such property is:

(ii) (i) Useless to **you**; or

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

(9) **You** may elect not to repair or replace **insured property** lost, damaged, or destroyed. Loss settlement may be elected on the lesser of repair or **replacement cost** basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two years from the date of loss. As a condition of collecting on this item, such expenditure must be unplanned as of the date of loss and be made at an **insured property** under this section. This item does not extend to Demolition and Increased Cost of Construction.

10. **Vehicles and Mobile Equipment that are Leased or Rented.** **Vehicles** and **mobile equipment** that are leased or rented to an **insured**, for less than ninety (90) days, and used for official business, are covered under this section, and are not required to be listed on the **schedule of values**.
11. **Wind.** The sublimit for **wind**, as listed on the declarations page, is the maximum amount potentially recoverable by all ICRMP Public Entity Members for combined insured losses, damages, expenses, time element, or other insured interest arising from or relating to such an **occurrence**. All other sublimits are a part of, and do not increase, the **wind** sublimit. Further, if **wind** occurs in conjunction with **flood**, the **wind** sublimit applies within and erodes the sublimit for that **flood**.
- a. All **wind** coverage is subject to a **wind** aggregate limit of \$1,000,000 for each **occurrence**.
- b. If the **wind** aggregate limit is exceeded, the amount recoverable by any **named insured** will be reduced pro rata in the same proportion that the loss of the **named insured** bears to the total amount of loss of all **named insureds**.
- c. **We** may pay claims on a provisional basis until all covered losses for a particular **policy period** are resolved, as determined by **us**. If **we** determine that the **wind** aggregate limit may be exceeded, **we** may delay claim payments until **we** determine that all liabilities and expenses for a **policy period** have been resolved.

Once all covered losses for a policy period are resolved, **we** will give notice to all **named insureds** with **claims** of their pro rata share of covered losses. If a **named insured** received claim payments in excess of its pro rata share, the **named insured** will remit the excess amount to **us** within thirty (30) days of the date on which **we** give notice. If a **named insured** received claims payments that are less than its pro rata share, **we** will remit the deficiency to the **named insured** within thirty (30) days of the date on which **we** receive the last payment due from **named insureds** who received claims payments in excess of their pro rata shares.

D. Exclusions Applicable to Property Insurance Provided

The following exclusions are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Regard to all property, we do not cover loss or damage under the Property Insurance Provided of this section resulting directly or indirectly by or resulting from any of the following regardless of any other cause or event, whether or not insured by this section, contributing concurrently or in any other sequence to the loss:**
- a. Loss or damage more specifically covered under any other section of this policy.
- b. Moths, animals (other than collision with animals), vermin, termites, crickets, or other insects.
- c. Inherent vice, latent defect, wear, tear or deterioration, depletion, whether sudden or gradual.
- d. Contamination, corrosion, erosion, rust, wet or dry rot, mold, dampness of atmosphere or variations of temperature.
- e. Accumulated effects of smog, smoke, vapor, liquid, or dust.

- f. Loss of use, delay or loss of markets or opportunity.
 - g. Breakdown or derangement of any machinery or equipment, unless an insured peril ensues, and then only for the actual loss or damage caused by such ensuing peril.
 - h. Electrical appliances, devices, fixtures, or wiring caused by artificially generated electrical current, unless fire or explosion ensues, and then only for the actual loss or damage caused by such ensuing fire or explosion.
 - i. Mysterious disappearance, loss or shortage disclosed on taking inventory for which the loss can be proven solely on the inventory records, or any unexplained loss.
 - j. Any fraudulent, dishonest, or criminal act, but not limited to theft, committed alone or in collusion with others at any time by any **insured**:
 - (1) Including theft of cash, securities, or other negotiable instruments, however described; or
 - (2) By any employee, proprietor, partner, director, trustee, or officer of any business or entity **you** engage to do anything in connection with **insured property**; or
 - (3) Acts of direct insured physical damage intentionally caused by **your** employees, elected, or appointed officials, volunteers or any individual specified in (2) above, and done without **your** knowledge. In no event, does this section cover loss by theft by any individual specified above.
 - k. Indirect or remote loss or damage.
 - l. Loss or damage or deterioration arising from any delay.
 - m. Interruption of business; except to the extent provided by this section.
 - n. Physical damage to **insured property** caused by water due to the intentional cessation of a building's heat source.
 - o. Lack of the following services when caused by an occurrence off the **insured property** and only if the lack of such a service directly causes physical damage insured by this section on the **insured property**, then only that resulting damage is insured:
 - (1) Incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;
 - (2) incoming or outgoing sewerage;
 - p. incoming or outgoing telecommunications;
2. **With Regard to Buildings and Structures, we do not cover losses under the Property Insurance Provided of this section resulting directly or indirectly from:**
- a. Settling, cracking, bulging, shrinking or expansion of any paved surfaces, foundations (including any pedestal, pad, platform, or other property supporting machinery), walls, pavements, floors, ceilings, or roofs, except if damage is caused by a covered **accident**, or if damage to **insured property** is caused by **earth movement** or **flood**.
 - b. Extremes or changes of temperature (except to machinery or equipment) or changes in relative humidity, regardless of whether or not atmospheric, except if damage to **insured property** is caused by **earth movement** or **flood**.
 - c. Any increase of loss due to interference with rebuilding, repairing, or replacing a building, or with the resumption or continuation of business.
 - d. Any increase of loss due to the suspension, lapse or cancellation of any lease, license, contract, or order.

- e. Loss or damage to **insured property** caused by or resulting from errors in design or testing of that **insured property**, except resultant physical loss or damage to other **insured property** insured by this section.
 - f. Faulty workmanship, material or construction, or design from any cause, except resultant physical loss or damage to other **insured property** insured by this section and not excluded elsewhere.
 - g. Physical damage to **insured property** caused by water or other liquid under the ground surface pressing on, or flowing or seeping through:
 - (1) foundations, walls, floors, or paved surfaces; or
 - (2) basements, whether paved or not; or
 - (3) Doors, windows or other openings. .
 - h. **Cosmetic Damage to coverings and roof-mounted equipment.**
 - i. Physical damage to **insured property** caused by fire due to the intentional cessation of a building's fire suppression or sprinkler system, except when that cessation is authorized in writing by **us**.
 - j. Loss from enforcement of any law or ordinance:
 - (1) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - (2) Requiring the demolition of any property, including the cost in removing its debris; or
 - (3) except as granted by the property insurance provided for Debris Removal and Increased Cost of Construction additional coverage.
3. **With Regard to Property in Course of Construction, we do not cover losses under the Property Insurance Provided of this Section resulting directly or indirectly from:**
- a. Penalties for non-completion of, or delay in, completion of contract or non-compliance with contract conditions, nor for loss of use of occupancy, however caused.
4. **With Regard to specific types of property, we do not cover physical loss or physical damage to the following property:**
- a. All animals and birds, except **your** service animals. For **your** service animals, **our** liability for such loss shall not exceed \$30,000 per **occurrence**, for injury, sickness, or death.
 - b. Land, water, standing timber or any other substance in or on land.
 - c. **Aircraft**, spacecraft, or satellites.
 - d. Retaining walls not constituting part of a building when loss is caused by ice or water pressure.
 - e. Underground mines, mineshafts or caverns or any property within such mine, shaft or cavern or mining property located below the surface of the ground.
 - f. Any property undergoing insulation breakdown tests.
 - g. Currency, money, precious metal in bullion form, notes, or securities.
 - h. Jewelry, furs, precious metals, or precious stones.
 - i. Dams, including earthen dams, levies, canals, including canal tunnels, however characterized, reservoirs, ditches, or retaining ponds.

- j. All liners, or membranes, however characterized, with the intent and design to separate, retain or hold water, sewage, trash, dirt, debris, or any other material.
- k. Roadways, highways, streets, bridges, tunnels, guardrails, pavements, parking lots, curbs, culverts, sidewalks, pathways, pedestrian walkways, or other transportation conveyance infrastructure, however characterized.
- l. Underground pipes or underground wiring.
- m. Any **mobile equipment, vehicle**, watercraft, or other property while participating in any prearranged or organized racing, speed, or demolition contest or in any stunting activity, including practice or preparation for any such contest or activity.
- n. Overhead transmission and distribution lines located more than 1 mile from **your** structures listed on the **schedule of values**.
- o. Data or fiber optic transmission lines and conduit not contained within walls of **insured property**.
- p. Equipment used to produce power or gas primarily for distribution to third parties.
- q. Loss or damage from any repairing, restoration or retouching process related to **fine arts**.

SECTION VI - CRIME INSURANCE

A. Insuring Agreements Applicable to Crime Insurance

The following insuring agreements are applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the below listed insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Employee Dishonesty or Fraud.** We agree to pay the **named insured**, or on its behalf, for loss of money, securities and other financial instruments or theft of **your** property by an **employee** sustained by the **named insured** resulting directly from one or more **dishonest or fraudulent acts** committed by an **employee** of the **named insured**, acting alone or in collusion with others.
2. **Loss Inside the Premises.** We agree to pay the **named insured**, or on its behalf, for loss of money and securities of the **named insured** by the actual destruction, disappearance or **wrongful taking** within the **premises**.
3. **Loss Outside the Premises.** We agree to pay the **named insured**, or on its behalf, for loss of money and securities of the **named insured** by the actual destruction, disappearance or **wrongful taking** thereof, outside the **premises** while being conveyed by a **messenger** or any armored motor vehicle company.
4. **Notary Public.** Insurance under this section shall be deemed to provide with the functional equivalent of the provisions of Idaho Code §51-121 for the terms and responsibilities of public officials or **employees** as notary public.

B. Definitions Applicable to Crime Insuring Agreements

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Dishonest or Fraudulent Acts"** means acts committed by an **employee** of the **named insured** which
 - a. Cause the **named insured** to sustain such loss; or
 - b. Results in financial benefit to the **employee**, or another person or organization intended by the **employee** to receive such benefit, not otherwise entitled to.
2. **"Employee"** shall be as defined by the Idaho Tort Claims Act (Idaho Code, chapter 9, title 6).
3. **"Social Engineering Financial Fraud"** means the transfer of **money** or **securities** to an account outside **your** control pursuant to instructions made by a person purporting to be an authorized employee, outsourced provider or customer of **yours**, when such instructions prove to have been fraudulent and issued by a person who is not an authorized employee, outsourced provider, or customer of the **yours**.
4. **"Social Engineering Financial Fraud Loss"** means loss of money or securities in a **social engineering financial fraud**.
5. **"Messenger"** means any **employee** who is duly authorized by the **named insured** to have the care and custody of an **insured** property outside the **premises**.
6. **"Premises"** means the interior of that portion of any building which is occupied by the **named insured** in conducting its business.
7. **"Wrongful Taking"** means an unauthorized conversion or theft of money, securities, money orders, counterfeit currency, depositor's forgery, or other financial instruments, whether or not proven in a court of law.

C. Specific Conditions Applicable to Crime Insuring Agreements

The following conditions are applicable to this section only. They may amend conditions located in Section III General Conditions of this policy.

1. **All Incidents - One Loss.** All losses incidental to an actual or attempted fraudulent, dishonest, or criminal act, or series of related acts, whether committed by one or more persons, shall be deemed one loss. The applicable limits of insurance stated in the declarations pages are the total limit of **our** liability with respect to all losses arising out of any one occurrence.
2. **Policy in Lieu of Public Officials Surety Bond.** Insurance under this section shall be deemed to provide insurance compliant with the provisions of Idaho Code §59-804 for the terms and responsibilities of public officials or **employees** to the extent required by the Idaho Code bonding requirements for public officials.
3. **Limits of Insurance for Multiple Policy Periods.** **Our** total liability is limited to the total amount specified in the declarations pages of this policy for all losses caused by any **employee** or in which such **employee** is concerned or implicated. Regardless of the number of years this policy shall continue in force and the number of member contributions which shall be payable or paid, the limits of insurance specified in the declarations pages shall not be cumulative from year to year or period to period. The maximum total loss paid to any **named insured** shall not exceed the limits of insurance stated in the policy year during which a claim is made.
4. **Loss Caused by Unidentified Employees.** If a loss is alleged to have been caused by the fraud or dishonesty of any one or more **employees**, and the **named insured** shall be unable to designate the specific **employee** or **employees** causing such loss, the **named insured** shall nevertheless have the benefit of Insuring Agreement 1, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more **employees** of the **named insured**.
5. **Notary Public.** **Our** total liability is limited to the total amount specified in the declarations pages of this policy for claims in which the **insured** shall become obligated to pay by reason of liability for breach of duty while acting as a duly commissioned and sworn Notary Public, claim for which is made against the **insured** by reason of any negligent act, error or omission, committed or alleged to have been committed by the **insured**, arising out of the performance of notarial service for **you** or others in the **insured's** capacity as a duly commissioned and sworn notary public. This coverage applies to notarial actions outside of employment and coverage will not expire until the notary's commission certificate expires.
6. **Ownership Interest.** Money, securities, and other financial instruments may be covered by this policy whether owned by the **named insured** or held by the **named insured** in its care, custody, or control.
7. **Recoveries.** To the extent that a loss of the **named insured** exceeds the limits of insurance applicable to this section, the **named insured** shall be entitled to recoveries from third parties until the **named insured** is fully reimbursed. Any remaining recovery shall be paid to **us**. Audit fees incurred by **us** toward establishing **your** loss values will be deducted from the ultimate net loss.

D. Exclusions Applicable to Crime Insuring Agreements

The following exclusions are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **All Crime Insuring Agreements of this Section do not provide coverage for:**
 - a. Any claim or loss more specifically covered under any other section of this policy.
 - b. Any claim for the potential income or increase including, but not limited to, interest and dividends, not realized by the **named insured** because of a loss covered under this section.
 - c. Any claim for costs, fees or other expenses incurred by the **named insured** in establishing the existence or amount of loss, covered under this section.

- d. Any claim for the funds collected or retained for any state or Federal agency pursuant to requirements established by law or pursuant to a mutual agreement.
- e. Any loss claimed involving conduct that occurred more than two (2) years prior to the date of the claim.
- f. Any loss claimed involving **social engineering financial fraud** from a **social engineering financial fraud loss** or event.

2. **Crime Insuring Agreement 1 does not cover:**

- a. Any loss, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation.
- b. Any claim of loss concerning any fiscal year wherein financial records of the political subdivision have not been timely audited by a certified public accountant in accordance with the requirements of Idaho Code §67-450B or §67-450C, as appropriate.

3. **Crime Insuring Agreement 2 does not provide coverage for:**

- a. Any claim or loss due to any fraudulent, dishonest, or criminal act by any **employee**, director, trustee, or authorized representative of the **named insured**, while working or otherwise, and whether acting alone or in collusion with others.
- b. Any claim or loss due to:
 - (1) The giving or surrendering of money or securities in any exchange or purchase;
 - (2) Accounting or arithmetical errors or omissions;
 - (3) Manuscripts, books of account, or records; or
 - (4) Presentation or acceptance of any check returned for insufficient funds.
- c. Any claim or loss of money contained in coin operated amusement devices or vending machines unless the amount of money deposited within the device or machine is recorded by a continuous recording instrument therein.

4. **Crime Insuring Agreement 3 does not provide coverage for:**

- a. Any claim or loss due to any fraudulent, dishonest, or criminal act by any **employee**, director, trustee, or authorized representative of the **named insured**, while working or otherwise, and whether acting alone or in collusion with others.
- b. Any claim or loss due to:
 - (1) The giving or surrendering of money or securities in any exchange or purchase;
 - (2) Accounting or arithmetical errors or omissions; or
 - (3) Manuscripts, books of account or records.
- c. Any insured claim or loss of money, securities, and other financial instruments of the **named insured** while in the custody of any armored motor vehicle company, except as excess policy over amounts recovered or received by the **named insured** under:
 - (1) The contract of the **named insured** with said armored motor vehicle company;
 - (2) Insurance carried by said armored motor vehicle company for the benefit of users of its services; and

- (3) All other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service.

5. Crime Insuring Agreement 4 does not provide coverage for:

a. Coverage under this section does not apply to:

- (1) any dishonest, fraudulent, criminal, libelous, slanderous or malicious act or omission of any **insured**;
- (2) Willful or intentional disregard of the law;
- (3) Bodily injury to, or sickness, disease or death of any person, including but not limited to, emotional or mental distress and related conditions;
- (4) Injury to or destruction of any tangible property, including the loss of use thereof;
- (5) Fines or penalties imposed by law on any **insured**;
- (6) Punitive, treble, exemplary, or similarly categorized damages, including fines and penalties; or
- (7) Performance of notarial service for any business which an **insured** owns, is a partner of, manages or controls.

SECTION VII – AUTOMOBILE LIABILITY INSURANCE

A. Automobile Liability Insuring Agreements

The following insuring agreements are applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the below listed insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Automobile Liability.** We agree to pay on *your* behalf those sums which an *insured* becomes legally obligated to pay as **damages** because of **bodily injury** or **property damage** caused by an **occurrence** during the **policy period** and arising out of the ownership, maintenance, use, loading or unloading of an **insured vehicle**.
2. **Automobile Medical Payments.** We agree to pay **medical expenses** incurred within the **policy period** and within ten (10) days of a **vehicle accident** as shall be necessary because of **bodily injury** caused by an **occurrence** in a vehicle owned or rented to an *insured*. Any such **medical expenses** must be reported within one hundred eighty (180) days of the **occurrence**.
3. **Uninsured or Underinsured Motorists.**
 - a. We agree to pay **damages** for **bodily injury** which an *insured* is legally entitled to recover from the owner or operator of an **uninsured automobile** or **underinsured automobile**. The **bodily injury** must be caused by an **occurrence** resulting in **bodily injury** during the **policy period** and arise out of the ownership, maintenance or use of an **uninsured automobile** or **underinsured automobile**. We will pay **damages** under this Insuring Agreement only after the limits of indemnification under any applicable bodily injury liability policies or bonds have been exhausted in payments, settlements, or judgments and after all worker's compensation benefits an employee may be entitled to have been paid.
 - b. The limits of indemnification shall be reduced by:
 - (1) All sums paid because of **bodily injury** by or on behalf of persons or organizations who may be legally responsible for causing the **bodily injury**; and
 - (2) All sums paid by worker's compensation benefits or similar disability law.

B. Definitions Applicable to Automobile Liability Insurance Agreements

The following definitions are applicable to this section only. They may amend definitions located in Section II General Definitions of this policy.

1. "Insured" means:
 - a. With respect to Insuring Agreement 1, an *insured* or anyone else while in an **insured vehicle** with the permission of the *insured*.
 - b. With respect to Insuring Agreement 2, anyone **occupying** an **insured vehicle** with the permission of the *insured*.
 - c. With respect to Insuring Agreement 3, an *insured* or anyone else while **occupying** an **insured vehicle** with the permission of the *insured*.

2. "**Insured Vehicle**" means a **vehicle** owned by the **named insured** or a non-owned **vehicle** while operated by an **insured** in the course and scope of their duties or such use that is otherwise authorized by the **named insured**.
3. "**Medical Expenses**" means expenses for necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing, and funeral services.
4. "**Occupying**" with regard to Insuring Agreement 2 and 3 of this section means an individual who, at the time of the **accident**, is in physical contact with an **insured vehicle**.
5. "**Underinsured Automobile**" means a **vehicle** for which the sum of liability limits of all applicable liability bonds or policies at the time of an **accident** is less than the limits of indemnification applicable to Insuring Agreement 3 of this section.
6. "**Uninsured Automobile**" means a **vehicle**:
 - a. To which a **bodily injury** liability bond or policy does not apply at the time of the **accident**.
 - b. For which an insuring or bonding company denies coverage or has become insolvent.
 - c. Which is a hit-and-run **vehicle** and neither the driver nor the owner can be identified. The hit-and-run **vehicle** must come in contact with an **insured vehicle**.

C. Specific Conditions Applicable to Automobile Liability Insurance Agreements

The following conditions are applicable to this section only. They may amend conditions located in Section III General Conditions of this policy.

1. **With respect to Insuring Agreements 1, 2 and 3, Auto Liability Insurance of this Section is subject to the following conditions:**
 - a. **Vehicles Owned by Employees or Authorized Volunteers.** A **vehicle** owned by an employee or authorized volunteer of the **named insured** is provided auto liability coverage by this section while the **vehicle** is being used by an employee or authorized volunteer on official business of the **named insured**. This policy shall be deemed secondary to the policy of the employee's or authorized volunteer's personal insurance, which is deemed to be primary insurance. The intent of this special condition shall not be interpreted to extend this policy to a **vehicle** owned by other public or private entities which are made available to the **named insured** or its employees. For these non-owned **vehicles**, the terms and conditions already contained in this policy shall apply. This specific condition does not apply to volunteers engaged in search and rescue activities as coverage is intended to be primary insurance for search and rescue volunteers only when actively participating in search and rescue mobilizations initiated by the county Sheriff.
 - b. **Non-Duplication of Benefits.** There shall be no duplication of payments under this section for Insuring Agreements 1, 2 and 3, respectively, of this policy. Any amounts payable under these respective insuring agreements will be reduced by the amount of any advance payments.
2. **With Respect to Insuring Agreement 2, Automobile Medical Payments Insurance of this section has the following conditions:**
 - a. **Examinations/Medical Reports.** The injured person may be required to take physical examinations by physicians **we** choose, as often as **we** reasonably require. **We** must be given authorization to obtain medical reports and other records pertinent to any such claim.
 - b. **Notice of Loss.** As soon as possible, any person making a claim under this Insuring Agreement must give **us** written notice. It must include all details **we** may need to determine the amounts payable.
3. **With Respect to Insuring Agreement 3, Uninsured/Underinsured Motorists Insurance of this section has the following conditions:**
 - a. **Arbitration.** If **we** and any person entitled to recover under Insuring Agreement 3 fail to agree on the amount of **damages** thereof, the amount shall be settled by arbitration. In that event, each party will select an

arbitrator. The two arbitrators will then select a third arbitrator. If they cannot agree upon a third arbitrator within thirty (30) days, both parties can ask a district judge in the State of Idaho to select the third arbitrator. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally. Written decisions of any two arbitrators will determine the issues and will be binding. The arbitration will take place pursuant to the Uniform Arbitration Act, Idaho Code Title 7, Chapter 9, unless both parties agree otherwise. Attorney's fees and fees paid to medical and other expert witnesses as part of the arbitration proceeding will not be considered arbitration expenses. These costs and expenses will be paid by the party incurring them.

- b. **Hit-and-Run Accident.** At **our** request, **you** shall make available for inspection any **vehicle** which any **insured** was **occupying** at the time of a hit-and-run **accident**. **You** must also notify a law enforcement agency within twenty-four (24) hours of any hit-and-run **accident**. **You** must also notify **us** of any such hit-and-run **accident** within seven (7) days of any such **accident**. Failure to provide such notice shall be deemed a material and prejudicial breach of this Insuring Agreement 3, and render any insurance provided null and void.
- c. **Medical Examinations.** The injured person may be required to take, at **our** expense, physical examinations by physicians **we** choose, as often as **we** reasonably require.
- d. **Non-Binding Judgment.** No judgment resulting from a **suit** brought without **our** written consent, or which **we** are not a party to, is binding on **us**, either for determining the liability of the **uninsured automobile or underinsured automobile** or owner, or the amount of **damages** sustained.
- e. **Prejudgment or Pre-Arbitration Award Interest.** Prejudgment or pre-arbitration award interest shall not begin to accrue until the date that the proof of loss is received by **us**.
- f. **Proof of Loss.** A proof of loss must be served upon **us** as soon as practicable following any such **accident** causing the injury in order to determine the amounts payable. Failure to provide such notice shall be deemed a material and prejudicial breach of this Insuring Agreement, and renders any insurance provided null and void. Each proof of loss presented shall accurately describe the conduct and circumstances which brought about the injury, state the time and place the injury occurred, state the names of all persons involved, and shall contain the amount of **damages** claimed, together with any and all records that exist pertaining to said injury. Said records shall consist of 1) all police reports pertaining to the **accident**, and 2) complete medical and billing records from all institutions (hospitals, rehabilitation facilities, and nursing homes) and physician offices. A signed medical records release form must be provided with the proof of loss giving **us** authorization to obtain additional medical reports and other records pertinent to any such loss.
- g. **Tentative Settlement.** A person seeking Underinsured Motorists Coverage must promptly notify **us** in writing of a tentative settlement between the **insured** and the insurer of the **underinsured automobile** and allow **us** to advance payment to that **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve **our** rights against the insurer, owner, or operator of such **underinsured automobile**.

D. Exclusions Applicable to Automobile Liability Insurance Agreements

The following exclusions are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With respect to Insuring Agreements 1, 2 and 3, Auto Liability Insurance of this section does not apply to any claim:**
 - a. Or **occurrence, accident, wrongful act, wrongful employment practice act, or sexual molestation or sexual abuse wrongful act** or other covered loss more specifically covered under any other section of this policy.
 - b. Of **bodily injury** sustained by any person, including an **insured**, engaged in the maintenance or repair of an **insured vehicle**.
 - c. That directly or indirectly benefits any worker's compensation or disability benefits insurer or self-insurer.
 - d. For **bodily injury** to anyone eligible to receive benefits which are either provided, or are required to be provided, under any worker's compensation, occupational disease, or similar disability law.

- e. Arising out of the operation of **mobile equipment**.
- f. For any **vehicles** owned or leased by a **named insured** when the **vehicle** is being rented or leased to a third party for compensation.
- g. To any person or organization, or to any agent or employee thereof, operating a vehicle sales agency, repair shop, service station, storage garage or public parking place, with respect to any **accident** arising out of the operation thereof.
- h. To any employee with respect to injury to, sickness, disease, or death of another employee of the same employer injured in the course and scope of such employment in an **accident** arising out of the maintenance or use of the **insured vehicle** in the business of such employer.
- i. With respect to any hired **vehicle**, to the owner or a lessee thereof, other than the **named insured**, nor to any agent or employee or such owner or lessee.
- j. To any **bodily injury** resulting from or arising out of the use of a **vehicle** owned by **you** and not insured by **us**.
- k. Any **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
- l. For **sexual molestation or sexual abuse wrongful acts**.
- m. For **damages** for **personal injury** or **property damage** arising out of:
 - (1) Physical contact by any **unmanned aircraft system** with any other **aircraft**, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or
 - (2) Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies, and standards with respect to any **unmanned aircraft system** including any amendment or addition to such regulations, certifications, rules, procedures, policies, and standards; or
 - (3) Knowingly not complying with any other federal, state, or local laws and regulations with respect to any **unmanned aircraft system**, including any amendment or addition to such laws and regulations.

2. With Respect to Insuring Agreement 1, Auto Liability Insurance of this Section does not apply:

- a. To **property damage** to property rented to, used by or in the care, custody, or control of any **insured**.
- b. To **bodily injury** to:
 - (1) An employee of any **named insured** arising out of or in the course and scope of employment or performing duties related to the conduct of the **named insured's** operations;
 - (2) The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (1) above.

This exclusion applies whether the **named insured** may be liable as an employer or in any other capacity and to any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.
- c. To any liability for indemnity or contribution brought by any party for **bodily injury** or **property damage** sustained by any **insured**.
- d. To **bodily injury** or **property damage** resulting from the handling of property before it is moved from the place where it is accepted by the **insured** for movement into or onto the **insured vehicle** or after it is moved from the **insured vehicle** to the place where it is finally delivered by the **insured**.
- e. To **bodily injury** or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the **insured vehicle**.

- f. To ***bodily injury*** or ***property damage*** arising out of ***your work*** after that work has been completed or abandoned. ***Your work*** will be deemed completed at the earliest of the following times:
 - (1) When all of the work has been completed;
 - (2) When all of the work to be done at the site has been completed; or
 - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than a contractor or subcontractor working on the same project.

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

- g. To ***bodily injury*** or ***property damage*** resulting from ***insured vehicles*** while used in any professional, organized or unorganized racing or demolition contest or stunting activity, or while practicing for such contest or activity or while that ***insured vehicle*** is being prepared for such a contest or activity.

3. **With Respect to Insuring Agreement 2, Automobile Medical Payments of this Section does not apply:**

- a. To any ***bodily injury*** arising out of or resulting from the operation of an ***insured vehicle*** while being used for hire or for a fee for such use.
- b. To prisoners, inmates, or any other category of persons being detained by an ***insured*** while being transported by ***you***.
- c. For ***bodily injury*** to any employee, elected official or volunteer eligible to receive any worker's compensation, occupational disease, or similar disability law benefits.
- d. To ***bodily injury*** to anyone using an ***insured vehicle*** without a reasonable belief that the person is entitled to do so.
- e. To ***bodily injury*** sustained by an ***insured*** while ***occupying*** any ***vehicle*** while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity or while the ***insured vehicle*** is being prepared for such a contest or activity.

4. **With Respect to Insuring Agreement 3, Uninsured/Underinsured Motorists Insurance of this Section does not apply:**

- a. To any ***insured*** who enters into a settlement with a third party without ***our*** written consent.
- b. To any ***insured*** using a ***vehicle*** without a reasonable belief that the person is entitled to do so.

SECTION VIII – GENERAL LIABILITY INSURANCE

A. Insuring Agreement Applicable to General Liability Insurance

The following insuring agreements are applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **General Liability.** We agree to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** caused by an **occurrence** resulting in **personal injury** or **property damage** during the **policy period**. Included within this insuring agreement are the following:
 - a. **Garagekeeper's Liability.** Provides coverage for claims resulting from the ownership and operation of storage garages and parking lots of the **named insured** as bailee with respect to a **vehicle** left in its custody and control and is sublimited to \$500,000 per **occurrence**.
 - b. **Fire Suppression Liability.** Provides coverage for claims resulting from **fire suppression activities** by authorized firefighting personnel. This coverage is sublimited to \$500,000 per **occurrence**. This coverage grant does not apply to **fire suppression activities** on public land.
 - c. **Hostile Fire Liability.** Provides coverage for claims resulting from heat, smoke or fumes resulting from a **hostile fire** and is sublimited to \$500,000 per **occurrence**.
 - d. **Host Liquor Liability.** Provides coverage for claims resulting from claims as a result of serving alcoholic beverages at **your** social event and is sublimited to \$500,000 per **occurrence**.
 - e. **Sewer Back-up Claims.** Provides coverage for claims resulting from sewer line and facilities back-up and related events, for which the **named insured** is responsible by virtue of its negligence. Notwithstanding the general exclusions stated elsewhere within this policy, this Insuring Agreement extends to mold and other fungus abatement and remediation demonstrated to be a direct result of a sewer back-up related **occurrence** for which **you** are responsible. This coverage is sublimited to \$500,000 per **occurrence**.
 - f. **Incidental Medical Liability.** Provides liability coverage for **damages** resulting from professional medical services rendered in the course and scope of delivering such services or during medically supervised training related thereto or which should have been rendered to any person or persons (other than employees of the **named insured** injured during the course and scope of their employment) only by any of the following persons acting on behalf of the **named insured**:
 - (1) Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.
 - (2) Employed or volunteer, nurse practitioners, registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while employed by **you** and while acting within the course and scope of their duties and responsibilities serving inmates of a jail operated by **you**.
 - (3) Volunteer registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while volunteering for **you** and while acting within the course and scope of their duties and responsibilities, serving as an EMT, paramedic, first responder or ambulance personnel.
 - (4) Any **insured** providing **first aid**.

This coverage is sublimited to \$500,000 per **occurrence**.

B. Definitions Applicable to General Liability Insuring Agreement

The following definitions are applicable to this section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Fire Suppression Activities"** means the application of water or **fire suppression chemicals** in the attempt to suppress fires or dislocation of materials or destruction of property deemed necessary to suppress fires.
2. **"Fire Suppression Chemicals"** means chemicals prescribed for extinguishing or preventing fires.
3. **"Hostile Fire"** means one which becomes uncontrollable or breaks out from where it was intended to be within **your insured property** and started by **you**.
4. **"Insured"** means:
 - a. The **named insured**; or
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the course and scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Exclusions Applicable to General Liability Insuring Agreement

The following exclusion are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1, General Liability Insurance of this section does not apply to any claim for damages for personal injury or property damage resulting from:**
 - a. Any **occurrence, accident, wrongful act, wrongful employment practice act, or sexual molestation or sexual abuse wrongful act** or other covered loss more specifically covered under any other section of this policy.
 - b. Fire suppression liability, government-imposed penalties, or fines, however characterized, assessed to pay the costs of suppressing a fire started by **your fire suppression activities** or for the improper discharge of **fire suppression chemicals**.
 - c. The ownership, maintenance, use, loading or unloading, or entrustment to others of any **vehicle**.
 - d. The performance of **law enforcement services** or **jail operations services**.
 - e. **Premises you** sell, give away, or have abandoned; property loaned to **you**; and personal property in **your** care, custody, and control. This exclusion shall not apply to garagekeeper's liability, as provided in the insuring agreement of this section.
 - f. Any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product, your work**, or the **impaired property** if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy, or dangerous condition.
 - g. Any **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
 - h. The **administration** of an **employee benefit program**.
 - i. The failure to supply water, electrical power, fuel, internet, or any other utilities.

- j. Any **sexual molestation or sexual abuse wrongful act**.
 - k. Physical contact by any **unmanned aircraft system** with any other **aircraft**, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or
 - l. Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies, and standards with respects to any **unmanned aircraft system**, including any amendment or addition to such regulations, certifications, rules, procedures, policies, and standards; or
 - m. Knowingly not complying with any other federal, state, or local laws and regulations with respect to any **unmanned aircraft** system, including any amendment or addition to such laws and regulations.
 - n. The transportation of **mobile equipment** by a **vehicle** owned or operated by or rented or loaned to any **insured**.
 - o. The use of **mobile equipment** in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.
 - p. Oral or written publication, in any manner, of material, if done by or at the direction of the **insured** with knowledge of its falsity.
 - q. Oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.
 - r. Any criminal act committed by or at the direction of the **insured**.
 - s. Any claim relating to **wrongful employment practice acts** of the employment of any person, including threatened, actual, or alleged **discrimination** or harassment.
 - t. Any claim relating to the prescribing of any medication.
2. **With Respect to Insuring Agreement 1, General Liability Insurance of this section does not apply to any claim for damages for property damage:**
- a. To property **you** own, rent, or occupy.
3. **With Respect to Insuring Agreement 1, General Liability Insurance of this section does not apply to any claim for damages from personal injury to:**
- a. An employee of the **named insured** arising out of and in the course and scope of employment by the **named insured** or performing duties related to the conduct of the **named insured's** business; or
 - b. The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (a) above.

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

SECTION IX – LAW ENFORCEMENT LIABILITY INSURANCE

A. Insuring Agreement Applicable to Law Enforcement Liability Insurance

The following insuring agreements are applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Law Enforcement Liability.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** caused by an **occurrence** resulting from **law enforcement services** or **jail operations services** or the administration of **first aid** and resulting in **personal injury** or **property damage** during the **policy period**. Included within this insuring agreement is:
 - a. **Incidental Medical Liability.** Insuring Agreement 1 provides liability coverage for professional medical services rendered in the course and scope of delivering such services or during medically supervised training related thereto, or which should have been rendered to any person or persons (other than employees of the **named insured** injured during the course and scope of their employment) only by any of the following persons acting on behalf of the **named insured** by and is sublimited to \$500,000 per **occurrence**:
 - (1) Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.
 - (2) Employed or volunteer, nurse practitioners, registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while employed by **you** and while acting within the course and scope of their duties and responsibilities serving inmates in the function of a jail operated by **you**.
 - (3) Volunteer registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while volunteering for **you** and while acting within the course and scope of their duties and responsibilities serving an EMT, paramedic, first responder or ambulance personnel.

B. Definitions Applicable to Law Enforcement Liability Insuring Agreement

The following definition is applicable to this section only. It may amend definitions located in Section II General Definitions of this policy.

1. **"Personal Injury"** means **bodily injury**, wrongful eviction, malicious prosecution, invasion of rights of privacy, libel, slander or defamation of character, erroneous service of civil papers, assault and battery and disparagement of property, false arrest, false imprisonment, detention, unlawful discrimination and violation of civil rights caused by **law enforcement services** or **jail operations services**.

C. Exclusions Applicable to Law Enforcement Liability Insuring Agreement

The following exclusions are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1, Law Enforcement Liability Insurance of this section does not apply to any claim for damages for personal injury or property damage resulting from:**
 - a. Any **occurrence, accident, wrongful act, wrongful employment practice act, sexual molestation or sexual abuse wrongful act**, or other covered loss more specifically covered under any other section of this policy.
 - b. Property **you** own, rent, or occupy; **premises you** sell, give away or have abandoned; property loaned to **you**; and personal property in **your** care, custody, and control.
 - c. Any **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.

- d. **Wrongful employment acts** of the employment of any person, including threatened, actual, or alleged **discrimination** or harassment.
- e. Any **sexual molestation or sexual abuse wrongful act**.
- f. Physical contact by any **unmanned aircraft system** with any other **aircraft**, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or
- g. Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies, and standards with respects to any **unmanned aircraft system** including any amendment or addition to such regulations, certifications, rules, procedures, policies, and standards; or
- h. Knowingly not complying with any other federal, state, or local laws and regulations with respect to any **unmanned aircraft system**, including any amendment or addition to such laws and regulations.
- i. A criminal act committed by or at the direction of the **insured**.
- j. An employee of the **named insured** arising out of and in the course and scope of employment by the **named insured** or performing duties related to the conduct of the **named insured's** business; or
 - (1) The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (1) above.
 - (2) This exclusion applies whether the **insured** may be liable as an employer or in any other capacity and to any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.
- k. The willful violation of any federal, state, or local statute, ordinance, rule, or regulation committed by or with the knowledge or consent of any **insured**.
- l. Acts of fraud committed by or at the direction of the **insured** with affirmative dishonesty or actual intent to deceive or defraud.

2. **With Respect to Insuring Agreement 1, Law Enforcement Liability Insurance of this section does not apply to any claim for *damages* for *personal injury* to:**

- a. An employee of the **named insured** arising out of and in the course and scope of employment by the **named insured** or performing duties related to the conduct of the **named insured's** business; or
- b. The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (a) above.

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

SECTION X - ERRORS AND OMISSIONS INSURANCE

CLAIMS MADE ONLY

A. Errors and Omissions Insuring Agreements

The following insuring agreements are applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this section.

1. **Errors and Omissions Liability.** We agree to pay on **your** behalf those sums which **you** become legally obligated to pay as **damages** because of a **claim** against an **insured** which is **first made** in writing to **us** by **you** during this **policy period**, or any extended reporting period **we** provide, resulting from a **wrongful act**. For this insuring agreement, two or more **claims** arising out of a single **wrongful act** shall be treated as a single **claim**.

B. Definitions Applicable to Errors and Omissions Insuring Agreement

The following definitions are applicable to this section only. They may amend a definition located in Section II General Definitions of this policy.

1. **"Claim"** means a demand received by **you** for money **damages** alleging a **wrongful act** of a tortious nature by any **insured**. No **claim** exists where the only monetary **damages** sought or demanded are costs of **suit** and/or attorney's fees.
2. **"Insured"** means:
 - a. The **named insured**; or
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Errors and Omissions Insuring Agreement

The following condition is applicable to this section only. It may amend conditions located in Section III General Conditions of this policy.

1. **Retroactive Date.** All **wrongful acts** must first take place on or after the applicable retroactive date shown in the declaration pages of this policy and on or before the termination of this **policy period**.

D. Exclusions Applicable to Errors and Omissions Insuring Agreement

The following exclusions are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1 Errors and Omissions Liability of this section does not cover any claim resulting from:**
 - a. An **occurrence, accident, wrongful act, wrongful employment practice act or sexual molestation or sexual abuse wrongful act** or other covered loss more specifically covered under any other section of this policy.
 - b. Any dishonest, fraudulent, or criminal acts committed by any **insured** or at the direction of any **insured**.

- c. Failure to supply water, electrical power, fuel, Internet, or any other utilities.
- d. Items for which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful act** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.
- e. A continuing **wrongful act** which first commences prior to the applicable retroactive date set forth in the declarations pages of this policy.
- f. The performance of **law enforcement services** or **jail operations services**.
- g. **Wrongful employment acts** of the employment of any person, including threatened, actual, or alleged **discrimination** or harassment.
- h. Any **personal injury** or **property damage**.
- i. Physical contact by any **unmanned aircraft system** with any other **aircraft**, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned.
- j. Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies, and standards with respects to any **unmanned aircraft system** including any amendment or addition to such regulations, certifications, rules, procedures, policies, and standards.
- k. Knowingly not complying with any other federal, state, or local laws and regulations with respect to any **unmanned aircraft system**, including any amendment or addition to such laws and regulations.
- l. Any **sexual molestation or sexual abuse wrongful act**.
- m. Any labor strike, civil disturbance, riot, or civil commotion.
- n. The **insured's** activities in a fiduciary capacity or in any similar capacity.
- o. Directly or indirectly arising out of debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.
- p. Any failure or omission to effect or maintain insurance or bond of any kind.
- q. The rendering or failure to render professional services provided by any lawyer, architect, building inspector, engineer or accountant to any person or entity other than the **named insured** or any commissions, boards, departments, or other units operated by the **named insured** or under the **named insured's** jurisdiction.

SECTION XI – EMPLOYEE BENEFIT PROGRAM LIABILITY INSURANCE CLAIMS MADE ONLY

A. Employee Benefit Program Liability Insuring Agreement

The following insuring agreements are applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this section.

1. **Employee Benefit Program Liability.** *We* agree to pay on *your* behalf those sums which *you* become legally obligated to pay as **damages** because of a **claim** against an **insured** which is **first made** in writing to *us* by *you* during this **policy period**, or any extended reporting period *we* provide, resulting from a **wrongful act** in the **administration** of **your employee benefit program**. For this insuring agreement, two or more **claims** arising out of a single **wrongful act**, in the **administration** of **your employee benefit program**, shall be treated as a single **claim**.

B. Definitions Applicable to Employee Benefit Program Liability Insuring Agreement

The following definitions are applicable to this section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Administration"** means:
 - a. Providing information to employees, including their dependents and beneficiaries, with respect to eligibility for any **employee benefit program**;
 - b. Handling of records in connection with the **employee benefit program**; or
 - c. Effecting, continuing, or terminating any employee's participation in any **employee benefit program**.
 - d. **Administration** does not mean *your* decision to not offer a particular benefit, plan, or program unless that particular benefit is required by law.
 - e. However, **administration** does not include handling payroll deductions.
2. **"Claim"** means a demand received by *you* for money **damages** alleging a **wrongful act** of a tortious nature by any **insured** in the **administration** of **your employee benefit program**. No **claim** exists where the only monetary **damages** sought or demanded are costs of **suit** and/or attorney's fees.
3. **"Insured"** means:
 - a. The **named insured**; or
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the course and scope of their duties as such, who is or was authorized to administer *your* employee benefit program. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Employee Benefit Program Liability Insuring Agreement

The following condition is applicable to this section only. It may amend conditions located in Section III General Conditions of this policy.

1. **Retroactive Date.** All **wrongful acts** must first take place on or after the applicable retroactive date shown in the declaration pages of this policy and before the termination of this **policy period**.

D. Exclusions Applicable to Employee Benefit Program Liability Insuring Agreement

The following exclusions are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1, Employee Benefit Liability Insurance of this section does not apply to any claim resulting from:**
 - a. An **occurrence, accident, wrongful act, wrongful employment practice act, sexual molestation or sexual abuse wrongful act**, or other covered loss more specifically covered under any other section of this policy.
 - b. Items which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful act** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.
 - c. A continuing **wrongful act** which first commences prior to the applicable retroactive date set forth in the declarations pages of this policy.
 - d. The performance of **law enforcement services** or **jail operations services**.
 - e. Any **sexual molestation or sexual abuse wrongful act**.
 - f. **Personal injury** or **property damage**.
 - g. From **damages** arising out of any intentional, dishonest, fraudulent, criminal, or malicious act, error, or omissions, committed by or at the direction of any **insured**, including the willful or reckless violation of any statute.
 - h. **Wrongful employment acts** of the employment of any person, including threatened, actual, or alleged **discrimination** or harassment.

SECTION XIII –SEXUAL MOLESTATION OR SEXUAL ABUSE LIABILITY INSURANCE CLAIMS MADE ONLY

A. Insuring Agreement Applicable to Sexual Molestation or Sexual Abuse Liability Insurance

The following insuring agreements are applicable to this section only. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this section.

1. **Sexual Molestation or Sexual Abuse Liability.** *We* agree to pay on **your** behalf those sums **you** become legally obligated to pay as **damages** because of a **claim** against an **insured** which is **first made** in writing to **us** by **you** during this **policy period**, or any extended reporting period **we** provide, arising out of a **sexual molestation or sexual abuse wrongful act**.
 - a. All **related sexual molestation or sexual abuse wrongful acts**, will be deemed to be a single **sexual molestation or sexual abuse wrongful act**, which will be deemed to have occurred at the time the first **related sexual molestation or sexual abuse wrongful act** commenced whether committed by the same perpetrator or two or more perpetrators and without regard to the number of:
 - (1) **Related sexual molestation or sexual abuse wrongful acts** taking place thereafter;
 - (2) Victims of **related sexual molestation or sexual abuse wrongful acts**;
 - (3) Locations where the **related sexual molestation or sexual abuse wrongful acts** took place;
 - (4) ICRMP **policy periods** over which the **related sexual molestation or sexual abuse wrongful acts** took place; or
 - (5) Breaches of any legal obligation arising out of any **related sexual molestation or sexual abuse wrongful acts** or suspected or threatened **related sexual molestation or sexual abuse wrongful acts**, or breaches of duty to any person who was the victim of a **related sexual molestation or sexual abuse wrongful act**.
 - b. All **claims** arising out of a single **sexual molestation or sexual abuse wrongful act** shall be treated as a single **claim**.

B. Definitions Applicable to Sexual Molestation or Sexual Abuse Liability Insuring Agreement

The following definitions are applicable to this section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Bodily Injury"** means bodily injury, sickness, disease, shock, fright, mental injury or anguish, emotional distress or disability sustained by a natural person, including death resulting from any of these at any time resulting from **sexual molestation or sexual abuse wrongful act**.
2. **"Claim"** means a **suit** or demand made by or for the injured person for monetary **damages** because of alleged or actual **bodily injury** caused by **sexual molestation or sexual abuse wrongful act**.
2. **"Insured"** means:
 - a. The **named insured**;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the course and scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

4. “**Related Sexual Molestation or Sexual Abuse Wrongful Acts**” means any **sexual molestation or sexual abuse wrongful act** that have as a common nexus with, or involve, a series of causally or logically related acts or omissions.

C. Specific Conditions Applicable to Sexual Molestation or Sexual Abuse Liability Insuring Agreement

The following condition is applicable to this Section only. It may amend conditions located in Section III General Conditions of this policy.

1. **Retroactive Date.** All **sexual molestation or sexual abuse wrongful acts** must first take place on or after the applicable retroactive date as shown in the declaration pages of this policy and before the termination of this **policy period**.

D. Exclusions Applicable to Sexual Molestation or Sexual Abuse Liability Insuring Agreement

The following exclusions are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1 Sexual Molestation or Sexual Abuse Liability Insurance of this Section does not apply to any claim resulting from:**
 - a. Any **occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. Any **claim** relating to **wrongful employment practice acts** of the employment of any person, including threatened, actual, or alleged **discrimination** or harassment.
 - c. Any **claim** or **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
 - d. Any **sexual molestation or sexual abuse wrongful act** which is the subject of any notice given under any policy or policies the term of which has or have expired prior to the inception date of this policy.
 - e. Any **sexual molestation or sexual abuse wrongful act** that first takes place prior to the retroactive date of this policy.
 - f. Any **insured** who is found by a court of law to have committed a criminal act involving **any sexual molestation or sexual abuse wrongful act**. However, **we** will pay covered **damages** the **named insured** becomes legally obligated to pay as a result of an employee's actions if such obligation is created pursuant to the Idaho Tort Claims Act, another state's similar law or federal law.
 - g. **Damages** or defense costs arising out of any **your** failure to report any **sexual molestation or sexual abuse wrongful act** as required by any applicable federal, state, or local law, ordinance, or regulation.

SECTION XIV –CHEMICAL SPRAYING ACTIVITIES LIABILITY INSURANCE

CLAIMS MADE COVERAGE ONLY

A. Insuring Agreement Applicable to Chemical Spraying Activities Liability Insurance

The following insuring agreements are applicable to this section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this section.

1. **Chemical Spraying Activities Liability.** *We* agree to pay on **your** behalf those sums which **you** become legally obligated to pay as **damages** because of a **claim** against an **insured** which is **first made** in writing to **us** by **you** during this **policy period**, or any extended reporting period **we** provide, resulting from any **wrongful act** involving **chemical spraying activities**. For this insuring agreement, two or more **claims** arising out of a single **wrongful act** shall be treated as a single **claim**. This insuring agreement only applies if the **wrongful act** first took place on or after the applicable retroactive date as stated in the declarations pages and before the termination of this policy.

B. Definitions Applicable to Chemical Spraying Activities Liability Insuring Agreement

The following definitions are applicable to this section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Chemical Spraying Activities"** means the intended dispersal of herbicides, defoliant, insecticides, pesticides, or other toxic materials approved by the federal government for the eradication of undesirable plant growth, insects or rodents and the mixing, loading, storage, transportation and disposal of such materials.
2. **"Claim"** means a demand received by **you** for money **damages** alleging a **wrongful act** of a tortious nature caused by an **insured**.
3. **"Wrongful Act"** means an act or omission which results in **bodily injury or property damage**. All **wrongful acts** that have as a common nexus with, or involve, a series of causally or logically related acts or omissions will be deemed to be a single **wrongful act**, which will be deemed to have occurred at the time the first such related **wrongful act** commenced, whether committed by the same person or two or more persons and without regard to the number of:
 - (a) related **wrongful acts** taking place thereafter;
 - (b) persons affected by related **wrongful acts**;
 - (c) locations where the related **wrongful acts** took place;
 - (d) ICRMP policy periods over which the related **wrongful acts** took place; or
 - (e) Breaches of any legal obligation arising out of any related **wrongful act**, or suspected or threatened related **wrongful act**, or breaches of duty to any person affected by a related **wrongful act**.

C. Specific Conditions to Chemical Spraying Activities Liability Insuring Agreement

The following conditions are applicable to this section only. They may amend conditions located in Section III General Conditions of this policy.

1. **Exception to Absolute Pollution Exclusion.** The insurance afforded by this section constitutes an express exception to the Absolute Pollution Exclusion set forth in the General Exclusions section IV of this policy. As an exception to such exclusion, this coverage stands only to pay legally required **damages** for **bodily injury or property damage** not to exceed the limits of indemnification stated in the policy declarations, and not in any circumstances for natural resource damage **claims** made or penalties or fines imposed pursuant to state or federal law.
2. **Retroactive Date.** All **claims** must take place on or after the applicable retroactive date as shown in the declaration pages of this policy and before the expiration date of this **policy period**.

D. Exclusions to Chemical Spraying Liability Activities Insuring Agreement

The following exclusion are applicable to this section only. They may amend exclusions located in Section IV General Exclusions of this policy. With Respect to Insuring Agreement 1 Chemical Spraying Liability Activities Insurance of this section does not apply to any claim resulting from:

1. Any **occurrence, accident, wrongful act, wrongful employment practice act, sexual molestation or sexual abuse wrongful act**, or other covered loss more specifically covered under any other section of this policy.
2. For which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
3. For which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any other policy or policies of insurance.
4. For any **sexual molestation or sexual abuse wrongful act**.

SECTION XV -ENDORSEMENTS

THESE ENDORSEMENTS MODIFY THE POLICY.

PLEASE READ THEM CAREFULLY.

Nothing herein contained in any of the listed endorsements shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which these endorsements are attached other than as stated. All definitions listed in the General Definitions of this Policy apply when not amended within each Endorsement.

#1 POLLUTANTS AMENDATORY ENDORSEMENT

Section V – Property is amended by the following:

A. Insuring Agreement to Pollutants Endorsement

The following insuring agreement is applicable to this Endorsement only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreement is subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

1. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that Section V, Property Insurance, is extended to cover “**pollution cost or expense**” related to an otherwise covered **accident** as covered by section V, Property. This endorsement is limited to \$100,000 per **occurrence** and \$500,000 in the aggregate for multiple **occurrences** per **policy period**.

B. Definitions Applicable to Pollutants Endorsement

The following definition is applicable to this Endorsement only. It may amend a definition located in Section II General Definitions of this policy or Section V Property definitions.

1. “**Pollution Cost or Expense**” means the reasonable and necessary cost **you** incur to clean up, remove and dispose, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of **pollutants** related to any otherwise covered claim as defined in section V Property Insurance. This endorsement will apply whether this cost is incurred due to a request, order, or **suit** by any governmental agency or at the discretion of the **named insured**.

C. Exclusions Applicable to Pollutants Endorsement

The following exclusion is applicable to this Endorsement only. It may amend exclusions located in Section IV General Exclusions of this policy and Section V Property exclusions.

1. This endorsement does not extend to any landfill, transfer station, trash or recycling collection facility or any other facility designed primarily for the collection or transfer of refuse or recycling content, or the **vehicles** and **mobile equipment** associated with any such described location.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

#2 CYBER PRIVACY OR SECURITY EVENT ENDORSEMENT

THIS ENDORSEMENT IS LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST YOU AND REPORTED IN WRITING TO US DURING THE POLICY PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF INDEMNIFICATION.

CLAIMS MADE COVERAGE Retroactive Date: October 1, 2015

The following insuring agreements are applicable to this Endorsement only. They may amend insuring agreements located in Section I General Insuring Agreement of the policy to which it is attached. Also, the below listed insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of the policy to which it is attached. The following insuring agreements may also amend Section VIII General Liability Insuring Agreements and Section V Property Insuring Agreements of the policy to which this Endorsement is attached.

I. Privacy or Security Event Liability and Expense Coverage Agreement. The following coverages are limited as described herein. **Our** right and duty to defend ends when the applicable limit of indemnification is exhausted in the payment of judgments or settlements, **regulatory penalties, claims expenses, privacy response expenses, PCI-DSS assessments, electronic equipment and electronic data damage, network interruption costs, cyber extortion expenses, cyber extortion monies** and **social engineering financial fraud loss**. This coverage only applies if the **privacy or security event** or **cyber extortion threat** commenced on or after the retroactive date above and before the end of the **policy period** shown in the declarations pages to the policy to which this endorsement is attached, and a **claim** for damages because of the **privacy or security event** is first made against an **insured** during the **policy period**, and **you** give written notice to **us** in accordance with Section IV below.

- A. **Privacy or Security Event Liability.** **We** will pay those sums **you** become legally obligated to pay as damages because of a **privacy or security event**. **We** will have the right and duty to defend an **insured** against any **Suit** seeking such damages. However, **we** will have no duty to defend any **insured** against any **suit** seeking damages to which this coverage does not apply. **We** may at **our** discretion investigate any **privacy or security event** and settle any **claim** that may result.
- B. **Privacy Response Expenses.** **We** will pay for **privacy response expenses** incurred by **you** in connection with a **privacy or security event** that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to **personal information**.
- C. **Regulatory Proceedings and Penalties.** **We** will pay for **regulatory penalties** an **insured** becomes legally obligated to pay as a result of a **regulatory proceeding** resulting from a **privacy or security event** if notice of the **regulatory proceeding** is received by **you** prior to the end of the **policy period**. **We** will have the right and duty to defend an **insured** against any **regulatory proceeding** to which this coverage applies. **We** may at **our** discretion investigate any **privacy or security event** and settle any **claim** that may result.
- D. **PCI-DSS Assessments.** **We** will pay for **PCI-DSS assessments** for which an **insured** is liable if the **PCI-DSS assessments** are due to noncompliance by the **insured** with PCI Data Security Standards and the noncompliance resulted in a **privacy or security event**.
- E. **Electronic Equipment and Electronic Data Damage.** **We** will pay for **your** damage to, loss of use or destruction of electronic equipment caused by the reprogramming of the software (including the firmware) of such electronic equipment rendering it useless for its intended purpose, the reasonable and necessary expenses to determine whether **electronic data** can or cannot be restored, recollected, or recreated, and the reasonable and necessary expenses to restore, recreate or

recollect **electronic data** for which **you** incur as a result of a **privacy or security event**.

- F. **Network Interruption Costs.** **We** will pay for **business income loss, expenses to reduce loss, extra expenses, and proof of loss preparation costs** which **you** incur after the **waiting hours period** and solely as a result of a **privacy or security event**.
- G. **Cyber Extortion Coverage.** **We** will pay for **cyber extortion expenses** and **cyber extortion monies you pay** as a direct result of a **cyber extortion threat**.
- H. **Social Engineering Financial Fraud.** **We** will pay or reimburse **you** for **social engineering financial fraud losses** from a **social engineering financial fraud event**.
- II. **Deductible.** For each **privacy or security event** and **cyber extortion threat**, **we** will pay only such amounts as are in excess of the deductible amount shown on the declarations pages to the policy to which this endorsement is attached.
- III. **Limits of Indemnification.** The limits of liability shown below establish the most **we** will pay regardless of the number of **privacy or security events, cyber extortion threats**, number of persons affected, claims made, suits or regulatory proceedings brought or individuals or entities making claims or bringing suits or regulatory proceedings.

A. **In General**

The limits of indemnification shown on the declarations pages to the policy to which this endorsement is attached establish the most **we** will pay regardless of the number of **privacy or security events, cyber extortion threats, insureds, claims** made, **suits** or **regulatory proceedings** brought or individuals or entities making **claims** or bringing **suits** or **regulatory proceedings**.

B. **Program Aggregate Limit**

1. All **privacy or security event liability and expense** coverage is subject to a Program Aggregate Limit of \$10,000,000 for each **policy period**. The Program Aggregate Limit is a shared limit among the **named insureds** (including all associated **insureds**) and is the most **we** will pay for all **privacy or security event liability and expense**, including **claim expenses**, for all **named insureds** (including all associated **insureds**) covered under any **policy period**. **Claim expenses** erode the Program Aggregate Limit.
2. If the Program Aggregate Limit is exceeded, the amount recoverable by any **named insured** (including all associated **insureds**) will be reduced pro rata in the same proportion that the loss of the **named insured** (including all associated **insureds**) bears to the total amount of loss of all **named insureds** (including all associated **insureds**).
3. **We** may pay **claims** for **privacy or security event liability and expense** on a provisional basis until all liabilities and expenses for a particular **policy period** are resolved, as determined by **us**. If **we** determine that the Program Aggregate Limit may be exceeded, **we** may delay claims payments until **we** determine that all liabilities and expenses for a **policy period** have been resolved.
4. Once all liabilities and expenses for a **policy period** are resolved, **we** will give notice to all **named insureds** with **claims** of their pro rata share of covered losses. If a **named insured** (including any associated **insureds**) received claims payments in excess of its pro rata share, the **named insured** will remit the excess amount to **us** within thirty (30) days of the date on which **we** give notice. If a **named insured** (including any associated **insureds**) received claims payments that are less than its pro rata share, **we** will remit the deficiency to the

named insured within thirty (30) days of the date on which **we** receive the last payment due from **named insureds** who received claims payments in excess of their pro rata shares.

5. For purposes of the Program Aggregate Limit, “**Privacy or Security Event Liability and Expense**” means all amounts covered under Section I of this Endorsement. Determinations made by **us** relating to the Program Aggregate Limit will be made in **our** sole and absolute discretion.

IV. **Notice to Us**

- A. As a condition precedent to **our** obligations under this coverage, **you** must give written notice to **us** of any **claim** made against an **insured** as soon as practicable, but in no event later than the end of the **policy period**.
- B. As a condition precedent to **our** obligations under this coverage, **you** must give written notice to **us** of any **privacy or security event** or **cyber extortion threat** as soon as practicable and provide all such information relating to the **privacy or security event** or **cyber extortion threat** as **we** may reasonably request.
- C. If during the policy period, **you** become aware of a **privacy or security event** that may reasonably be expected to give rise to a **claim**, including a **regulatory proceeding** or **PCI-DSS assessment**, against an **insured**, **you** must give written notice to **us** of such **privacy or security event** as soon as practicable, but in no event later than the end of the **policy period**. Notice must include:
 1. A specific description of the **privacy or security event**, including all relevant dates;
 2. The names of persons involved in the **privacy or security event**, including names of potential claimants and a specific description of any **personal information** actually or reasonably suspected to have been subject to theft, loss or unauthorized access or disclosure;
 3. The specific reasons for anticipating that a **claim** may result from such **privacy or security event**;
 4. The specific nature of the alleged or potential damages arising from such **privacy or security event**; and
 5. The specific circumstances by which an **insured** first became aware of the **privacy or security event**.

Any **claim** subsequently made against an **insured** arising out of such **privacy or security event** shall be deemed to be a **claim** made during the **policy period** in which the **privacy or security event** was first reported to **us**.

V. **Exclusions**

This endorsement does not apply to any **claim, suit, regulatory proceeding**, damages, **regulatory penalties, claim expenses, privacy response expenses, PCI-DSS assessments, network interruption costs, electronic equipment and electronic data damage, cyber extortion expenses** or **cyber extortion monies** or **social engineering financial fraud loss**:

- A. For, arising out of, or resulting from **bodily injury** or **property damage**;

- B. For, arising out of, or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written; provided, however, that this exclusion shall not apply:
1. To the extent an **insured** would have been liable in the absence of such contract or agreement; or
 2. To amounts payable as **PCI-DSS assessments**.
- C. For, arising out of, or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Sherman Anti-Trust Act, the Clayton Act, or the Robinson-Patman Act, as amended, or any other federal, state, local, foreign or common law rules or regulations involving antitrust, restraint of trade, unfair competition, or false or deceptive or misleading advertising;
- D. For, arising out of or resulting from any actual or alleged false, deceptive, or unfair trade practices; however, this exclusion does not apply to any **claim** or loss covered hereunder that results from a theft, loss or unauthorized disclosure of or access to **personal information**;
- E. For, arising out of or resulting from:
1. The actual or alleged unlawful collection or acquisition of **personal information** by an **insured on your** behalf; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (*i.e.*, opt-in or opt-out) from the collection, disclosure, or use of **personal information**; or
 2. The distribution of unsolicited email, direct mail, or facsimiles, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping, recording, or telemarketing is done by an **insured on your** behalf, including actual or alleged violations of:
 - (i.) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - (ii.) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - (iii.) Any federal, state, or local statute, ordinance, or regulation, other than the TCPA or CAN-SPAM Act of 2003 and their amendments and additions, or any other legal liability, at common law or otherwise, that addresses, prohibits, or limits the dissemination, recording, sending, transmitting, communicating or distribution of material or information;
- F. For, arising out of or resulting from any of the following conduct by an **insured**:
1. Any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as the Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or law of any state, locality or foreign government, whether such law is statutory, regulatory or common law;
 2. Any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws;

3. Any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, the Employee Retirement Security Act of 1974 or any similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws;
 4. Any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability, or pregnancy; or
 5. Any actual or alleged violation of the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair Credit Transactions Act (FACTA).
- G. For, arising out of, or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional security breach, or any intentional or knowing violation of the law committed by an **insured**; provided, however, this exclusion shall not apply unless there is a final adjudication of such conduct, an admission of such conduct by an **insured**, or in a criminal proceeding a plea of guilty, *nolo contendere*, no contest or any similar plea by an **insured**;
- H. For, arising out of or resulting from any actual or alleged:
1. Infringement of patent or patent rights or misuse or abuse of patent;
 2. Infringement of copyright arising from or related to software code or software products; or
 3. Use or misappropriation of any ideas or trade secrets by a an **insured** or on behalf of, or in collusion with an **insured**;
- I. Arising out of or resulting from any of the following:
1. Trading losses, trading liabilities or change in value of accounts;
 2. Any loss of monies, securities or tangible property of others in the care, custody or control of any **insured**;
 3. Except for **social engineering financial fraud loss event**, the monetary value of any electronic fund transfers or transactions by an **insured** on **your** behalf that is lost, diminished, or damaged during transfer from, to 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 that is lost, diminished or damaged.

VI. **Definitions.** The following definitions apply to this coverage:

- A. “**Bodily Injury**” means physical injury, sickness or disease sustained by any person, including death resulting from these at any time. **Bodily injury** also means mental illness, mental anguish or emotional distress, pain or suffering or shock sustained by any person, whether or not resulting from physical injury, sickness, disease or death of any person.
- B. “**Business Income Loss**” means the sum of the following incurred during the **period of indemnity**:

1. Net profits that would have been earned but for the **material interruption** (after charges and expenses, but not including any capital receipts, outlays properly chargeable to capital, and deductions for taxes and profits); and
2. Charges and expenses which necessarily continue (including ordinary payroll).

If there would have been no net profit, **business income loss** means the charges and expenses which necessarily continue less any loss from business operations that would have been sustained had there been no **material interruption**.

- C. “**Claim**” means any demand, **suit** for damages, **regulatory proceeding** or **PCI-DSS assessment** resulting from a **privacy or security event**. All **claims** because of a single **privacy or security event** will be deemed to be a single **claim** and to have been made at the time the first such **claim** is made against an **insured**, regardless of the number of individuals or entities making such **claims** or the time period over which such **claims** are made, even if subsequent **claims** are made after the **policy period**.
- D. “**Claim Expenses**” means:
1. Reasonable and necessary fees charged by attorneys **we** designated to assist with the investigation, adjustment, negotiation, arbitration, defense, or appeal of a **claim**;
 2. All other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, defense, or appeal of a **claim** and incurred by **us**; and
 3. Premiums on appeal bonds, attachment bonds or similar bonds; however, **we** are not obligated to apply for or furnish any such bond;

Provided, however, **claim expenses** do not include:

1. Any internal salary, administrative, overhead or other related expenses of an **insured** or any charges by an **insured** for time spent cooperating with the investigation and defense of any **claim**;
 2. **privacy response expenses**; or
 3. **PCI-DSS assessments**.
- E. “**Computer System**” means computers and associated input and output devices, data storage devices, networking equipment and backup facilities:
1. Operated by and either owned by or leased to **you**; or
 2. Operated by a third-party service provider and used to provide hosted computer application services to **you** or for processing, maintaining, hosting, or storing **your electronic data** pursuant to a written contract with **you** for such services.
- F. “**Cyber Extortion Expenses**” means all reasonable and necessary costs and expenses which **you** incur as a direct result of a **cyber extortion threat**, other than **cyber extortion monies**.
- G. “**Cyber Extortion Monies**” means any funds, including any cryptocurrency, which **you** pay, with **our** prior written consent, for the purpose of terminating the **cyber extortion threat**.
- H. “**Cyber Extortion Threat**” means a credible threat or series of related credible threats, including, but not limited to, a demand for **cyber extortion monies**, directed at **you** to:

1. Release, divulge, disseminate, destroy or use confidential information taken from an **insured** as a result of a **privacy or security event**;
 2. Introduce malicious code into a **computer system**;
 3. Corrupt, damage or destroy a **computer system**;
 4. Restrict or hinder access to a **computer system**;
- I. "**Electronic Data**" means any data stored electronically on a **computer system**, including without limitation **personal information**.
- J. "**Electronic Equipment and Electronic Data Damage**" means amounts payable by **us** under Section I. E.
- K. "**Expenses to Reduce Loss**" means expenses **you** incur during the **period of indemnity**, over and above normal operating expenses, for the purpose of reducing **business income loss** or shortening the **period of indemnity**.
- L. "**Extra Expenses**" means expenses **you** incur during the **period of indemnity**, other than **expenses to reduce loss**, that would not have been incurred but for a **material interruption**.
- M. "**Material Interruption**" means the actual and measurable interruption or suspension of **your** business directly caused by a **privacy or security event**.
- N. "**Network Interruption Costs**" means amounts payable by **us** under Section I. F.
- O. "**PCI-DSS Assessment**" means any monetary penalty owed by **you** due to **your** noncompliance with Payment Card Industry Data Security Standards under an agreement between **you** and a financial institution or other person enabling **you** to accept credit cards, debit cards, prepaid cards, or other payment cards.
- P. "**Period of Indemnity**" means the period of time beginning after the **waiting hours period** and ending at the earlier of:
1. In the case of a **computer system** operated by and either owned by or leased to **you**, the time **you** restore the **computer system** to the same or similar conditions that existed prior to the time of the **material interruption** (or could have restored access to the **computer system** if **you** exercised due diligence and dispatch); or
 2. In the case of a **computer system** operated by a third-party service provider, the time the service provider restores the **computer system** to the same or similar conditions that existed prior to the time of the **material interruption** (or could have restored access to the **computer system** if the service provider exercised due diligence and dispatch).

The **period of indemnity** shall not be cut short by the end of the **policy period**.

- Q. "**Personal Information**" means an individual's name in combination with one or more of the following:
1. Information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;
 2. Medical or health care information concerning the individual, including without limitation "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;

3. The individual's Social Security number, driver's license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allow access to the individual's financial account information; or
4. Other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law;

Provided, however, **personal information** does not include information that is lawfully available to the public, including without limitation information lawfully available from an **insured** or any local, state, federal or foreign governmental entity.

R. "**Privacy or Security Event**" means:

1. The actual or reasonably suspected theft, loss or unauthorized disclosure of or access to **personal information** in **your** care, custody or control or for which **you** are legally responsible, regardless of whether such **personal information** is maintained in electronic, paper or any other format; or
2. A violation or failure of the security of a **computer system**, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

Any **privacy or security event** that is continuous or part of a series of repeated or related **privacy or security events** will be considered to be a single **privacy or security event** and will be considered to have commenced when the first such **privacy or security event** commenced regardless of:

1. The number of individuals or entities engaged in such **privacy or security events**;
2. The number of individuals or entities affected by such **privacy or security events**;
3. The number of locations where such **privacy or security events** occurred; or
4. The number of such **privacy or security events** occurring or period of time over which they occur, even if subsequent **privacy or security events** take place after the **policy period**.

S. "**Privacy Response Expenses**" means the following reasonable and necessary costs incurred by **you** within one year of the discovery of a **privacy or security event** that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to electronic **personal information** in **your** care, custody or control or for which **you** are legally responsible:

1. For the services of a security expert designated by **us** to determine the scope and cause of a **privacy or security event** and the extent to which **personal information** was disclosed to or accessed by unauthorized persons;
2. For the services of consultants or attorneys designated by **us** to determine **your** obligations, if any, under applicable law to give notice to affected individuals;
3. To notify affected individuals if required by applicable law or if **you** voluntarily elect to give such notice, and for the services of a contractor designated by **us** to assist with providing such notice and responding to questions and concerns raised by individuals who are notified;

4. For the services of a contractor designated by **us** to provide identity theft protection services to affected individuals if **you** elect to provide such services; and
5. For the services of a public relations consultant designated by **us** to avert or mitigate damage to **your** reputation as a result of the **privacy or security event**;

Provided, however, **privacy response expenses** do not include:

1. Any internal salary, administrative, overhead or other related expenses of any **insured** or any charges by any **insured** for time spent cooperating with the investigation and response to any **privacy or security event**;
 2. **claim expenses**;
 3. **PCI-DSS assessments**;
 4. **electronic equipment and electronic data damage**;
 5. **network interruption costs**;
 6. **cyber extortion expenses**; or
 7. **cyber extortion monies**.
- T. “**Proof of Loss Preparation Costs**” means fees and expenses incurred by **you** for the services of a third-party forensic accounting firm to establish and prove the amount of loss, including those costs in connection with preparing a proof of loss. **Proof of loss preparation costs** does not include any fees or expenses for consultation on coverage or negotiation of claims.
- U. “**Property Damage**” means damage to, loss of use of, or destruction of any tangible property; however, **property damage** does not include the loss of use or damage of electronic equipment caused by the reprogramming of the software (including the firmware) of such electronic equipment rendering it useless for its intended purpose. For purposes of this definition, “tangible property” shall not include **electronic data**.
- V. “**Regulatory Penalties**” means any civil fine or civil monetary penalty imposed in a **regulatory proceeding** payable by **you** to the governmental entity bringing the **regulatory proceeding** and any sum of money that an **insured** 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**.
- W. “**Regulatory Proceeding**” means a request for information, civil investigative demand, **suit**, civil investigation, or civil proceeding commenced by or on behalf any local, state, federal or foreign governmental entity in the entity’s regulatory or official capacity.
- X. “**Social Engineering Financial Fraud Event**” means the transfer of money to an account outside **your** control pursuant to instructions made by a person purporting to be an authorized employee, outsourced provider or customer of **yours**, when such instructions prove to have been fraudulent and issued by a person who is not an authorized employee, outsourced provider, or customer of **yours**.
- Y. “**Social Engineering Financial Fraud Loss**” means loss of money directly resulting from a **social engineering financial fraud event**.
- Z. “**Suit**” means a civil proceeding arising out of a **privacy or security event**.

AA. **“Waiting Hours Period”** means the number of hours set forth in the declarations pages of the policy to which this endorsement is attached that must elapse once a ***material interruption*** has begun.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

#3 TERRORISM LIABILITY AMENDATORY ENDORSEMENT

A. Insuring Agreement Applicable to Terrorism Liability Amendatory Endorsement:

The following insuring agreement is applicable to this Endorsement only and amends Insuring Agreement 1 located Section VIII General Liability. Also, the below listed insuring agreement is subject to Section I General Insuring Agreement, Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

1. **We** agree to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** to others because of **bodily injury** or **property damage** caused by an act of **terrorism**.

B. Definition Applicable to Terrorism Liability Amendatory Endorsement:

1. **Terrorism** means an act or series of acts, including the use of force or violence, of any person or groups of persons, whether acting alone or on behalf of or in connection with any organizations, committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

C. Conditions Applicable to Terrorism Liability Amendatory Endorsement:

1. This coverage is sublimited to \$500,000 per **occurrence** and in the aggregate annually;
2. The limits of indemnification shall be reduced by all sums paid by worker's compensation benefits or similar disability law if the claimant is **your** employee or volunteer;
3. This coverage is extended to pay for legally obligated and statutorily allowable costs imposed by state or federal government agencies specifically related to the suppression of fire only if such costs arise out of a covered **occurrence**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

#4 PUBLIC LAND FIRE SUPPRESSION AMENDATORY ENDORSEMENT

A. *Insuring Agreements Applicable to Public Land Fire Suppression Liability Amendatory Endorsement*

1. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that section VIII, General Liability Insurance, is extended to pay for legally obligated and statutorily allowable costs imposed by state or federal government agencies specifically related to the suppression of fire only if such costs arise out of a covered **occurrence**.

B. *Conditions Applicable to Public Land Fire Suppression Liability Amendatory Endorsement*

1. This coverage is limited to \$500,000 per **occurrence** and in the annual aggregate.

C. *Exclusions Applicable to Public Land Fire Suppression Liability Amendatory Endorsement*

1. This endorsement does not cover penalties or fines imposed pursuant to state or federal law under any circumstance.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

#5 ASBESTOS REMEDIATION AMENDATORY ENDORSEMENT

The following insuring agreement is applicable to this Endorsement only and amends Insuring Provision 1 located Section V Property. Also, the below listed insuring agreement is subject to Section I General Insuring Agreement, Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

A. Section V does not cover

1. Asbestos removal from any good, product or structure unless the asbestos is itself damaged by fire, lightning, **aircraft** impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage, or accidental discharge from automatic fire protective system.
2. Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos.
3. Any governmental direction or request declaring that asbestos present in or part of or utilized on any undamaged portion of an **insured's** property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

#6 – EQUIPMENT BREAKDOWN INSURANCE ENDORSEMENT

Section V – Property is amended by the following:

A. Equipment Breakdown Insurance Endorsement

The following insuring provisions are applicable to this Endorsement only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring provisions are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that Section V, Property Insurance, is extended to cover Equipment Breakdown insurance as listed below.

1. When an applicable limit for Equipment Breakdown is shown in the limits of insurance section of the declarations page, this endorsement's intention is to clarify that the peril of **breakdown** is included for **covered equipment**.
2. **Limit of Insurance.** The most **we** will pay for any and all coverages for loss or damage from any **one breakdown** is the applicable limit of insurance shown in the equipment breakdown section of the declarations page.
3. **Equipment Breakdown Coverage Extensions.** The limits for coverage extensions are part of, not in addition to, the limit of insurance for equipment breakdown shown in the declarations page:
 - a. **Spoilage.** This endorsement covers the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:
 - (1) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
 - (2) **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and
 - (3) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.
 - b. This endorsement also covers any necessary expenses **you** incur to reduce the amount of loss under this coverage. **We** will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage endorsement.
4. **Service Interruption.** This endorsement covers loss resulting from the interruption of utility services provided all of the following conditions are met:
 - a. The interruption is the direct result of a **breakdown to insured equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive;
 - b. The **insured equipment** is used to supply electricity, telecommunication services, air conditioning, heating, gas, fuel, sewer, water, refrigeration, or steam to **your premises**; and

- c. The **period of service interruption** lasts at least the consecutive period of time of the waiting period, which is twenty-four (24) hours. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

5. Business Income:

- a. This endorsement covers **your** actual loss of business income that results directly from the necessary total or partial interruption of **your** business caused by a **breakdown**.
- b. This endorsement covers any necessary expenses **you** incur to reduce the amount of loss under this coverage. **We** will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- c. **We** will consider the actual experience of **your** business before the **accident** and the probable experience **you** would have had without the **accident** in determining the amount of its payment.
- d. This coverage continues until the date the damaged property is repaired or replaced.

6. Expediting Costs:

- a. This endorsement covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to **insured equipment** and to expedite the permanent repair or replacement of such damaged property caused by a **breakdown**.
- b. This coverage extension does not cover costs:
 - (1) Recoverable elsewhere in this policy; or
 - (2) Of permanent repair or replacement of damaged property.

7. Hazardous Substance:

- a. This endorsement covers any additional expenses **you** incur for the clean-up, repair or replacement or disposal of **insured equipment** that is damaged, contaminated or polluted by a **hazardous substance** caused by a **breakdown**.
- b. As used here, additional expenses mean the additional cost incurred over and above the amount that **we** would have paid had no **hazardous substance** been involved with the loss.

8. Ammonia Contamination. This endorsement covers the spoilage to **insured equipment** contaminated by ammonia, including any salvage expense caused by a **breakdown**.

9. Water Damage. This endorsement covers the damage to **insured equipment** by water including any salvage expenses caused by a **breakdown**, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

10. Consequential Loss. This endorsement covers the reduction in the value of undamaged **stock** parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

11. Electronic Data and Media. This endorsement covers **your** cost to research, replace or restore damaged **electronic data** and **media** including the cost to reprogram instructions used in any computer equipment if the loss is caused by a **breakdown**.

12. **CFC Refrigerants.** This endorsement covers the additional cost to repair or replace **insured equipment** because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances if the loss is caused by a **breakdown**. This means the additional expense to do the least expensive of the following:
- (a) Repair the damaged property and replace any lost CFC refrigerant;
 - (b) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
 - (c) Replace the system with one using a non-CFC refrigerant.
13. **Computer Equipment.** This endorsement covers for direct damage to **computer equipment** that is damaged by a **breakdown** to such equipment.

B. Definitions Applicable to Equipment Breakdown Insurance Endorsement

The following definition is applicable to this Endorsement only. It may amend a definition located in Section II General Definitions of this policy or Section V Property definitions.

1. **"Breakdown"**
- a. Means the direct physical loss resulting from one or more of the following items that causes damage to **insured equipment** and necessitates its repair or replacement, unless such loss or damage is otherwise excluded within this section:
 - 1. Failure of pressure or vacuum equipment;
 - 2. Mechanical failure including rupture or bursting caused by centrifugal force;
 - 3. Electrical failure including arcing;
 - 4. Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by **you**, or operated under **your** control;
 - 5. 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
 - 6. 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;
 - b. Does not mean or include:
 - 1. Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - 2. Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to insured equipment;
 - 3. Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - 4. Damage to any vacuum tube, gas tube or brush;

5. Damage to any structure or foundation supporting the insured equipment or any of its parts;
 6. The functioning of any safety or protective device; or
 7. The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
2. **“Computer Equipment”** means property that is electronic computer or other electronic data processing equipment, including media and peripherals used in conjunction with such equipment.
3. **“Insured Equipment”**
- a. Means:
 - (1) Equipment built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
 - (3) Communication equipment and computer equipment.
 - b. Does not mean or include any:
 - (1) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum.
 - (2) Insulating or refractory material, but not excluding the glass lining of any **insured equipment**;
 - (3) Nonmetallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
 - (4) Catalyst;
 - (5) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
 - (6) Structure, foundation, cabinet or compartment supporting or containing all or part of the **insured equipment** including penstock, draft tube or well casing;
 - (7) **Vehicle, aircraft**, self-propelled equipment or floating vessel, including any **insured equipment** that is mounted upon or solely with any one or more vehicle(s), **aircraft**, self-propelled equipment or floating vessel;
 - (8) Dragline, excavation or construction equipment including any **insured equipment** that is mounted upon or solely used with any one or more dragline(s), excavation, or construction equipment;
 - (9) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad or non-metal part or any part or tool subject to periodic replacement; or
 - (10) Equipment or any part of such equipment manufactured by **you** for sale; or
 - (11) Power and gas generation utility equipment.

4. **“Hazardous Substance”** means any substance other than ammonia that has been declared to be hazardous to health by a government agency. Ammonia is not considered to be a **hazardous substance** as respects this limitation.
5. **“One Breakdown”** means if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one **premises** that manifest themselves at the same time and are the direct result of the same cause will be considered **one breakdown**.
6. **“Stock”** means merchandise held in storage or for sale, raw materials, property in process or finished products, including supplies used in their packing or shipping.

C. Conditions Applicable to Equipment Breakdown Insurance Endorsement

The following condition is applicable to this Endorsement only. It may amend exclusions located in Section IV General Exclusions of this policy and Section V Property exclusions.

1. **Suspension.** On discovery of a dangerous condition, **we** may immediately suspend machinery breakdown insurance on any machine, vessel, or part thereof by giving written notice to **you**. The suspended insurance may be reinstated once the dangerous condition is resolved.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

#8 ACTIVE ASSAILANT AMENDATORY ENDORSEMENT

A. INSURING AGREEMENT APPLICABLE TO ACTIVE ASSAILANT AMENDATORY ENDORSEMENT

The following insuring agreement is applicable to this Endorsement only. Also, the below listed insuring agreement is subject to Section I General Insuring Agreement, Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

1. We will reimburse **costs** incurred by **you** from the use of **active assailant response resources** resulting from an **incident** as defined herein, which first occurs during the **policy period**.

B. DEFINITIONS APPLICABLE TO ACTIVE ASSAILANT AMENDATORY ENDORSEMENT

The following definitions are applicable to this Endorsement only. They may amend definitions located in Section II General Definitions of this policy.

1. **Active assailant response resources** mean any of the following used by **you** during the **incident**. This includes:
 - a) Public Relations Firm,
 - b) Crisis Management Firm,
 - c) Psychological counselling,
 - d) Environmental clean-up team,
 - e) Salvage and recovery clean up team,
 - f) Funeral expenses.
2. **Costs** means fees used to hire the services of **active assailant response resources**.
3. **Incident** means an event involving an assailant using a **weapon** and takes place on **your** business operation premises. However, for the purpose of this endorsement, the lawful actions of your employees or volunteers or elected officials or of a member of the security services or law enforcement officers when engaged in the line of duty, in the prevention of (or attempt to prevent) an **incident** shall not of itself be considered to be an **incident** within this meaning.
4. **Weapon** means firearms, explosive devices, knives, medical instruments, and corrosive substances.

C. LIMITS OF INSURANCE APPLICABLE TO ACTIVE ASSAILANT AMENDATORY ENDORSEMENT

1. The limit of insurance for specified **costs** related to **active assailant response resources** is \$50,000 per **incident** and \$100,000 in the aggregate during one **policy period**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

ICRMP

Multi-Lines

Insurance Policy

This Policy of Insurance is issued by ICRMP for all public entity Members to be effective 12:01 A.M., October 1, 2023 for one-year thereafter, unless sooner terminated, for all continuing Members pursuant to and consistent with the Joint Powers Subscribers Agreement approved by the ICRMP Board of Trustees to be effective for the policy year beginning at the time above stated.

If **you** utilize an independent insurance agent, we pay **your** agent a fixed percentage of the member contribution **you** pay us that is included in **your** member contribution. This compensation is to encourage independent agents to recommend ICRMP to public entities and to compensate agents for their services. If **you** have questions regarding this compensation, please contact **us**.

EMPLOYMENT PRACTICES LIABILITY APPLICATION

GENERAL INFORMATION

1. Legal name of the business who is the primary applicant and will be the first named insured listed on the policy:

2. Please list all other business/dba names for which you are seeking coverage under this policy:
3. Type of Company: Corporation Individual Partnership Municipality For Profit
 Joint Venture Other: _____
4. Please list any names of other entities that you own or manage or that you do business under (such entities are not requesting coverage under this policy):
5. Primary location address: _____
6. County of primary location: _____ Date business originally established: _____
7. Total number of branches? _____
List all addresses for additional branches:
8. What is your web-site address? www. _____
9. What is your phone number? _____
10. Has the name or ownership of the entity changed or has any other business been purchased, merged or consolidated with the entity within the last 5 years? Yes No
11. Does any entity own or control your business or does your business own or control any entity? Yes No
12. During the past five years, has your name been changed or has any other business purchased, merged or consolidated with you? Yes No
For questions 9-11, please fully explain any "yes" response, including the names, dates, and revenue impact involved:
13. Please list any associations of which you are a member:

EMPLOYEES (including Subsidiary employee information on a separate sheet)

14. Please describe the nature of the Applicant's business (type of product or services provided):
15. Number of Employees: Full Time: _____ Part Time: _____

16. Salary Ranges (including bonuses, dividends and commissions)	Number of full time employees	Number of part time employees
\$50,000 or less:	_____	_____
\$50,001 to \$100,000:	_____	_____
\$100,001 and over:	_____	_____
TOTAL:	_____	_____

17. If you have multiple locations, please list employees by state:

	State:	State:	State:	State:	State:
Full-Time					
Part-Time					

18. Does the Applicant use seasonal or temporary employees? Yes No

If so, when and how many? _____

Are these employees included in #17 above? Yes No

19. Does the Applicant use leased workers? Yes No

If Yes, how many have been retained by the Applicant in the past 12 months? _____

Are these employees included in #17 above? Yes No

20. Does the Applicant use independent contractors? Yes No

If Yes, how many work solely for the Applicant? _____

21. How many employees are covered by collective bargaining or other union agreements? _____

22. In the past 12 months, how many officers have left your employ? _____

Of the above, how many were terminated? _____

23. In the past 12 months, how many other employees have left your employ? _____

Of the above, how many were terminated? _____

FINANCIAL AND OPERATING INFORMATION

24. Please answer the following four (4) questions for the Applicants listed in #1 and #2 of the General Information Section, including its subsidiaries, for the most recent fiscal year end:

a. What are the Applicant's total assets? _____

b. What are the Applicant's total gross revenues? _____

c. Does the Applicant currently have: Net Income or Net Loss Amount \$ _____

d. Does the Applicant currently have: Positive Cashflow or Negative Cashflow Amount \$ _____

25. Has an auditor in the previous two (2) fiscal years recommended a "going concern" opinion of the financial information for the Applicant? (If Yes, please provide details on a separate sheet.) Yes No

26. Are you: Publicly Held? If Yes, please provide stock symbol _____

Privately Held?

Non-Profit?

Other? Please explain. _____

EMPLOYMENT PRACTICES

27. In the past twelve (12) months, has your total number of employees decreased by more than ten percent (10) or five (5) employees, whichever is **greater**, through any reduction in force, systematic lay-off, closure of any division, office or facility that you own or operate or for any other reason? (If Yes, please complete the Reduction In Force supplement.) Yes No

28. In the next twelve (12) months, do you anticipate the total number of your employees to decrease by more than ten percent (10%) or five (5) employees, whichever is **greater**, through any reduction in force, systematic lay-off, closure of any division, office or facility that you own or operate or for any other reason? *(If Yes, please complete the Reduction In Force supplement.)* Yes No
29. If during the next 12 months, circumstances of which are you currently unaware make it necessary for you to decrease the number of your employees by ten percent (10%) or five (5) employees, whichever is great, through the implementation of any reduction in force, systematic layoff, closure of any division, office or facility that you own or operate or for any other reason (with any such reduction, lay-off or closure not known, anticipated or planned by you as of the date of this Application), do you agree that you will consult with, and adopt the advice of, a lawyer who specializes in labor and employment law (may include in-house counsel, but only if that counsel is qualified and experienced in the practice of labor and employment law) as respects the implementation of such reduction, lay-off or closure? *(If No, please explain on a separate sheet.)* Yes No
30. Does the Applicant anticipate any merger, acquisition, or addition of any operations that would comprise a twenty-five percent (25%) or ten (10) employees, whichever is **greater**, increase over the current number of employees? *(If Yes, please provide full details on a separate sheet.)* Yes No
31. Has any insurer ever cancelled or non-renewed the Applicant or its predecessor for this type of coverage? *(If Yes, please provide details on a separate sheet.)* Yes No

HUMAN RESOURCES

32. Does the Applicant have written employment agreements with all officers? Yes No
33. Have the Applicant's managers and/or supervisors attended training and education programs/seminars on sexual harassment and other types of discrimination within the last 12 months? Yes No
 If Yes, who has attended? _____
 If Yes, who conducts the sessions? _____
34. Does the Applicant have its employment policies/procedures reviewed by labor or employment counsel? Yes No
 If Yes, identify the firm and date of last review: _____
35. Does the Applicant have a Human Resources or Personnel Department? Yes No
 If No, who handles this function? _____
36. Does the Applicant have an employee handbook? Yes No
 If Yes, does the Applicant distribute it to all employees? Yes No
 If Yes, do all employees sign up for its receipt? Yes No
 If Yes, does it expressly state that it is not a contract and that employment is "at will"? Yes No
37. Does the Applicant have written procedures for handling employee complaints of discrimination and/or sexual harassment? Yes No
38. Does the Applicant require all terminations to be reviewed by:
 The person in charge of human resources? Yes No
 Outside counsel? Yes No
39. Does the Applicant maintain a personnel file for each employee? Yes No

THIRD PARTY INFORMATION

40. Estimated number of employees with customer/client contact: _____

41. Please describe the frequency and nature of customer/client interactions.

42. Has the Applicant or its predecessors ever received a complaint, formal or informal, from a non-employee, such as a customer, client, or prospective customer or client complaining about discrimination or harassment by the Applicant or any employee of the Applicant? Yes No
(If Yes, please provide details on a separate sheet.)

43. Does the Applicant conduct staff training on client and customer relations issues such as avoiding discriminatory behavior? Yes No

44. Are there procedures for reporting and dealing with complaints by customers/clients? Yes No

45. Is the Applicant in compliance with Title III of the Americans with Disabilities Act (building and premises requirements)? Yes No

OTHER MATERIAL INFORMATION

46. After inquiry with each person as appropriate, in the last five (5) years, does anyone have any other Material Facts to disclose? Yes No
(If Yes, please provide such Material Facts on a separate sheet.)

A Material Fact is one likely to influence assessment of this risk, the premium charged or the terms and conditions imposed by Underwriters. If you are in any doubt as to whether a fact would be considered material, you should disclose it. All of the information requested in this proposal is material.

INSURANCE AND LOSS HISTORY

47. Provide your firm's recent Employment Practices Liability insurance history below *(including coverage as part of a D&O or other insurance policy)*:

	Insurance Company	Limits Per Claim/ Aggregate	Deductible	Policy Period (Month/Day/Year)	Annual Premium
Current Year					
Previous Year 1					
Previous Year 2					
Previous Year 3					
Previous Year 4					

48. If you are currently insured for employment practices liability coverage, what is your policy's retroactive date? (month/date/year)? ___/___/___ If there is no retroactive date, please check here.

If requesting prior acts coverage you will be asked upon binding coverage to provide a copy of your current insurance declaration page documenting the expiring retroactive date and limits. Prior acts coverage may not be available if the date of your current retroactive coverage is different from what we have quoted or if there is any gap between effective dates.

49. Are you being canceled or non-renewed by your current employment practices liability carrier? Yes No
 If Yes, please explain why: _____

50. Requested Limits:
 \$100,000/\$300,000 \$250,000/\$250,000 \$500,000/\$500,000 \$1,000,000/\$1,000,000
 Other \$_____ /\$_____

Requested Deductible (Per Claim): \$5,000 \$10,000 \$25,000 Other: _____

51. After inquiry with each person as appropriate, in the last five (5) years, has any wrongful termination, discrimination, sexual harassment or any other wrongful employment practices liability claim or suit, including third party claims, ever been made against the Firm or any predecessor firm or any current or former member of the Firm or predecessor firm? Yes No
If "Yes," how many? _____ Please complete a separate Supplemental Claim Form for each claim or suit and include a currently valued loss run for each claim.

52. After inquiry with each person as appropriate, do you, or any of your partners, officers, directors, or employees know of any circumstances, acts, errors, omissions, or any allegations or contentions of any incident that could result in an unemployment related claim, including third party claims? Yes No
If "Yes," how many? _____ If "Yes," please complete a separate Supplemental Claim Form for each potential claim and provide as much detail as possible.

53. Of the total number of EEOC/state agency charges filed against any Applicant over the last five years, indicate the number of primary allegations as follows:

1) Location No.	2) Racial Discrimination	3) Age Discrimination	4) Religious Discrimination	5) Other Ethic Discrimination	6) Equal Pay Act Violation	7) Other Gender Discrimination	8) Violation of Am. With Disabl. Act

54. With respect to litigated cases (including wrongful termination suits under state law other than antidiscrimination law) and EEOC/state agency charges over the last five years for which any settlement was or may be paid, please provide the following information, which must be currently valued:

Date Occurrence	Claimant	Allegation	Damages Paid	Damages Reserved	Legal Expenses Paid	Legal Expenses Reserved

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Completion of this form does not bind coverage. Applicant's acceptance of the company's quotation is required prior to binding coverage and policy issuance.

All written statements and materials furnished to the company in conjunction with this application are hereby incorporated by reference into this application and made a part of this application.

Applicant: _____ Title: _____
(Must be signed by a Director of Human Resources or other
Principal, Partner, or Officer of the Firm)

Applicant's Signature: _____ Date: _____

Agent/Broker Name: _____

EMPLOYMENT PRACTICES LIABILITY CLAIM APPLICATION

- **This form is to be completed when the Applicant has been involved in any claim or is aware of an incident which may give rise to a claim. COMPLETE ONE FORM FOR EACH CLAIM OR INCIDENT.**
- **If space is insufficient to answer any questions fully, attach a separate sheet.**
- **In lieu of attaching suit papers, please provide a complete narrative description of the allegations involved**

APPLICANT'S INFORMATION

1. Full Name of Applicant: _____
2. Full Name of Individual(s) or entity involved in the claim: _____
3. Additional defendants: _____
4. Full Name of Claimant: _____
5. a. Is the Claimant still your employee (or client if a Third Party Claim) after bringing the claim? Yes No
- b. Are other witnesses/involved parties still employed? Yes No
6. Date of claim: _____ Date reported to Insurance Company: _____
7. What is the status of the claim? Closed/Settled Open/Pending Incident/Circumstance

8. IF CLOSED:

Total paid including deductible(s)? Responses such as "unknown" or "unavailable" are insufficient.

	Defense costs	Loss/compensatory damages
Paid by you-out of pocket	\$ _____	\$ _____
Insurance Company	\$ _____	\$ _____

Date Resolved: ____/____/____ Trial Out of Court

9. IF PENDING:

- (a) Claimant's settlement demand? \$ _____ Defendant's settlement offer (if any): \$ _____
- (b) Insurer's reserve amounts? Loss \$ _____ Defense \$ _____
- (c) Amounts already spent defending the claim? By you? \$ _____ By the insurer? \$ _____
- (d) What is your best estimate of the likely settlement amount for this matter? \$ _____
- (e) What is your best estimate of the date when you expect this claim to be resolved? _____

Note: Answering "unknown" or "unavailable" to the above questions is an insufficient response.

10. The claim involves/involved the following laws or issues (please check all that apply):

Affirmative Action <input type="checkbox"/>	False Imprisonment <input type="checkbox"/>	Third Party/Non-Employee Claim <input type="checkbox"/> (If so, please explain.)
Bodily Injury <input type="checkbox"/>	Good Faith and Fair Dealing <input type="checkbox"/>	
Breach of Written Contract <input type="checkbox"/>	Implied Contract <input type="checkbox"/>	Whistle Blower Retaliation <input type="checkbox"/>
Discrimination Type: <input type="checkbox"/>	Invasion of Privacy <input type="checkbox"/>	
	Libel/Defamation <input type="checkbox"/>	Wrongful Termination <input type="checkbox"/>
Emotional Distress <input type="checkbox"/>	Retaliation <input type="checkbox"/>	Other Issues:
Equal Pay Act (EPA) <input type="checkbox"/>	Type: _____	
FLSA (Fair Labor Standards) <input type="checkbox"/>	Sexual Harassment <input type="checkbox"/>	
Wage and Hour <input type="checkbox"/>	Slander <input type="checkbox"/>	
FMLA <input type="checkbox"/>		

11. Name(s) of Insurer(s) responding to this claim or incident _____
Policy Number: _____
Limits of Liability: _____ Deductible: _____

12. Provide narrative description of suit, claim or incident, including the allegations involved, the potential size of injury and your response:

13. Explain what action(s) have been taken to prevent reoccurrence of a similar claim:

I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my Employment Practices Liability Application. I understand that an incorrect or incomplete statement could void my protection.

Signature of Applicant/Title/Date (Must be signed by a Principal, Partner or Officer of the Firm)

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Applicant's Signature: _____ Date: _____

Agent/Broker Name: _____

WAGE & HOUR DEFENSE SUPPLEMENTAL APPLICATION

GENERAL INFORMATION

1. Name of Applicant: _____

SUPPLEMENTAL QUESTIONS

2. Do you regularly consult with an attorney regarding wage & hour issues, including job descriptions, hourly rates, overtime, meal and rest breaks, and conduct audits with respect to the classification of exempt or non-exempt employees as salaried, hourly, and/or independent contractors? Yes No

If No please provide an attachment on how the applicant ensures compliance with federal, state and local wage & hour laws.

3. Does the applicant have established procedures for reviewing and maintaining job descriptions for each employee? Yes No

4. Does the applicant keep records of employee hours? Yes No

5. Are all non-salaried employees paid overtime for any hours in excess of 40 hours a per week, or where applicable, 8 hours per day? Yes No

6. Do you provide itemized wage statements to all employees, including wages paid, deductions, tips & commissions where applicable, and regular and overtime hours for hourly employees? Yes No

7. Have any lawsuits, class actions, administrative proceedings, or any hearings or demands been made against the applicant or any entity or person proposed for this insurance within the last five (5) years alleging violations of any federal, state or local wage & hour laws or regulations? Yes No

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(Must be signed by a Principal, Partner, or Officer of the Firm)

Applicant's Signature: _____ Date: _____

Agent/Broker Name: _____





Municipality Insurance Proposal

Prepared for

Community Library Network

Presented by:

Apex Insurance Services

Policy Term: 02/01/2024 - 02/01/2025

Date Quoted: 01/17/2024

Expires: 02/01/2024

Commercial Property Coverage

American Family Home Insurance Company - "A+" (XV) AM Best Rating

	Limit	Deductible	Premium
Blanket Limit @ 100%	\$19,784,014	\$10,000	\$16,959
Real Property	\$15,361,420		
Personal Property	\$4,422,594		
Wind/Hail Deductible		\$10,000	
Valuation	Replacement Cost Agreed Value		
Loss of Income	\$250,000		Included
Extra Expense	\$250,000		Included
Equipment Breakdown	\$19,784,014	\$10,000	\$6,509
Flood	\$5,000,000	\$100,000	\$5,880
Earthquake	\$5,000,000	\$50,000	\$3,500
Fine Arts	\$1,000,000		\$2,100
Accounts Receivable	\$50,000		
Real and Personal Property in Transit or Off Premises	\$250,000		
Valuable Papers and Record	\$1,000,000		
Debris Removal	\$1,000,000		
TRIA			\$0
		Property Premium	\$34,948

Flood coverage is not offered for buildings in Special Flood Hazard Area identified by the United States Federal Emergency Management Agency (FEMA) which include Flood Zones A, AE, AH, AO, A1-A30, AR, A99, V, VE or V1-V30.

The summary limits and deductibles vary by location. A statement of values can be available upon request.

This proposal may vary from the requested terms and conditions in your submission. Please review this proposal carefully. This proposal contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, refer to the policy forms. In the event of a difference between this proposal and the policy, the policy will prevail. Specimen policy forms are available upon request and through the Wright Specialty website (<http://www.wrightspecialty.com>).

Partnership beyond the policy.[™]

Commercial Inland Marine Coverage

American Family Home Insurance Company - "A+" (XV) AM Best Rating

	Limit	Deductible	Premium
Scheduled Equipment	\$25,000	\$1,000	\$113
	Inland Marine Premium		\$250

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Partnership beyond the policy.™

Commercial General Liability Coverage

American Family Home Insurance Company - "A+" (XV) AM Best Rating

	Limit	Deductible	Premium
Each Occurrence	\$1,000,000	\$0	\$25,876
Damage to Premises Rented to You Limit	\$1,000,000		
Medical Expense Limit	\$10,000		
Personal and Advertising Injury Limit	\$1,000,000		
General Aggregate Limit	\$3,000,000		
Products/Completed Operations Aggregate Limit	\$3,000,000		
Abuse or Molestation Liability	\$1,000,000/\$3,000,000		\$4,453
Special Supplementary Payment	\$10,000		
Abuse or Molestation Alleged Participant	\$1,000,000/\$3,000,000		
Employee Benefits Liability (Claims-Made)*		\$0	\$265
EBL Retro Date	02/01/1993		
EBL Each Employee	\$1,000,000		
EBL Annual Aggregate	\$2,000,000		
TRIA			\$0

General Liability Premium **\$30,594**

Notes:

*Please refer to the applicable policy form details regarding the terms of any available extended reporting period.

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Commercial Crime Coverage

American Family Home Insurance Company - "A+" (XV) AM Best Rating

	Limit	Deductible	Premium
Employee Theft (Per Loss)	\$100,000	\$1,000	\$188
Forgery or Alteration	\$100,000	\$1,000	Included
Inside the Premises			
Theft of Money and Securities	\$100,000	\$1,000	\$711
Robbery or Safe Burglary of Other Property	\$100,000	\$1,000	Included
Outside the Premises	\$100,000	\$1,000	Included
Computer Fraud	\$100,000	\$1,000	Included
Funds Transfer Fraud	Included in Computer Fraud		
Money Orders or Fraudulent Impersonation	\$100,000	\$1,000	Included
Faithful Performance of Duty			Excluded
		Crime Premium	\$899

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Public Officials and Management Liability Coverage (Claims-Made)

American Family Home Insurance Company - "A+" (XV) AM Best Rating

	Limit	Deductible	Premium
Public Officials and Management Liability			
Each Wrongful Act or Offense	\$1,000,000	\$10,000	\$5,608
Aggregate	\$3,000,000		
Wrongful Acts Retro Date	01/01/2024		
Employment Acts Coverage	Included	\$10,000	\$7,467
Employment Acts Retro Date	02/01/1993		
Injunctive Relief	\$25,000		
			\$13,075

Notes:

Please refer to the applicable policy form for details regarding the terms of any available extended reporting period.

Proposal Premium Summary

Line of Coverage	Premium
Package	
Commercial Property	\$34,948.00
Commercial Inland Marine	\$250.00
Commercial General Liability	\$30,594.00
Commercial Crime	\$899.00
Public Officials and Management Liability	\$13,075.00
Package Total	\$79,766.00
Commercial Auto	\$7,497.00
Account Subtotal	\$87,263.00
Surcharge/Fee Total	\$0.00
Account Total	\$87,263.00

Lines of Coverage	Carrier
Package	American Family Home Insurance Company
Commercial Auto	American Family Home Insurance Company

Subjectivities

Coverage cannot be bound until the following items are received, reviewed and accepted by Underwriting:

Indication only subject to receipt of the following:

- Signed & fully completed WSI Public Officials, Management, and Employment Practices Liability Supplemental
- Building update information for all buildings constructed over 20 years ago
- Signed Uninsured/Underinsured Selection/Rejection Form
- Signed Statement of Values
- Sexual Abuse/Molestation Coverage is written on an Occurrence basis
- Five years currently valued loss runs

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: Q-07407	EFFECTIVE DATE: 02/01/2024
----------------------------------	--------------------------------------

NUMBER

TITLE

Common

IM SCHED OF
INLAND MARINE
(01-20)
COVER PAGE (01-
20)
PE CO 100 (01-20)
IL 09 52 (01-15)
PE CO 300 (01-20)
PE CO ID1 (01-20)
TERRNOTICE09 (12-
20)
TERRNOTICE11 (12-
20)
VL N 800 (03-20)

Inland Marine - Schedule of Inland Marine
Policy Cover Page
Common Policy Declarations
Cap On Losses From Certified Acts Of Terrorism
Common Policy Conditions
Idaho Changes - Cancellation And Nonrenewal
Policyholder Disclosure Notice of Terrorism Insurance Coverage
Policyholder Disclosure Notice of Terrorism Insurance Coverage
Customer Assistance Notice

Property

PE PR 100 (01-20)
PE PR 101 (02-22)
PE PR 210 (07-20)
PE PR 211 (04-21)
PE PR 402 (01-20)
PE PR 404 (07-20)
PE PR 410 (01-20)
PE PR 411 (01-20)
PE PR 421 (01-20)
PE PR 435 (01-20)
PE PR 441 (01-20)
PE PR 442 (02-21)
PE PR 443 (07-20)
PE PR 605 (02-22)

Property Coverage Part Declarations
Property Coverage Form
Limitation Changes - Interior Of Building
Exclusion - Cyber Incident
Earthquake - Volcanic Eruption Coverage
Flood Coverage
Real Or Personal Property In Transit Or Off Premises Increased Limit
Valuable Papers And Records Increased Limit
Extension Of Coverage Scheduled Fine Arts
Debris Removal Increased Amount
Equipment Breakdown Coverage Deductible Options
Equipment Breakdown Coverage Limit of Insurance Real Property and
Personal Property
Equipment Breakdown Coverage Changes
Exclusion - Utility Services

Crime

PE CR 100 (05-20)
PE CR 102 (02-22)

Crime Coverage Part Declarations
Government Crime Coverage Form (Loss Sustained Form)

Inland Marine

PE IM 100 (01-20)
PE IM 101 (01-20)

Inland Marine Coverage Part Declarations
Inland Marine Coverage Form

General Liability

PE GL 100 (01-20)
CG 21 32 (05-09)
CG 21 70 (01-15)
PE GL 101 (01-20)

General Liability Coverage Part Declarations
Communicable Disease Exclusion
Cap On Losses From Certified Acts Of Terrorism
General Liability Coverage Form

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: Q-07407	EFFECTIVE DATE: 02/01/2024
----------------------------------	--------------------------------------

NUMBER

TITLE

General Liability

PE GL 211 (01-20) Exclusion - Fireworks
PE GL 217 (01-20) Exclusion - Carnivals, Circuses, And Fairs
PE GL 224 (01-20) Exclusion - Electronic Information Security Event - With Limited Bodily Injury Exception
PE GL 416 (01-20) Employee Benefits Liability Endorsement
PE GL 603 (02-22) Abuse Or Molestation Liability Coverage
PE GL 621 (07-20) Limited Exclusion - Liquor Liability

Public Officials Management Liability

PE ML 100 (01-20) Public Officials And Management Liability Coverage Part Declarations
PE ML 101 (01-20) Public Officials And Management Liability Coverage Form - Claims Made
PE ML 206 (01-20) Exclusion - Electronic Information Security Event
PE ML 207 (01-20) Amendment Of Professional Liability Exclusion
PE ML 208 (01-20) Exclusion - Administration Of Employee Benefit Plans
PE ML 302 (01-20) Amendatory Endorsement - Injunctive Or Declaratory Relief
PE ML 303 (01-20) Amendatory Endorsement - EEOC Administrative Hearings Coverage
PE ML 402 (01-20) Supplemental Extended Reporting Period



Insurance quote presented to:

Apex Insurance Agency, Inc. - Chicago

Donnie Stark

For

Community Library Network

Proposed policy period

12 Month(s) - Effective Date TBD

BY

Annette Bates, Associate Underwriter - Management Liability

(804) 289-1387 - Annette.Bates@kinsaleins.com

01/26/2024

NO FLAT CANCELLATIONS ONCE COVERAGE IS BOUND

Kinsale Insurance Company P.O. Box 17008 Richmond, VA 23226
Phone (804) 289-1300 Fax (804) 673-5697
www.kinsaleins.com

Kinsale Insurance Company

A.M. Best Company Rating: A (Excellent)
Financial Size Category: X

Apex Insurance Agency, Inc. - Chicago - Donnie Stark

QUOTE

RE: Community Library Network
821 N Spokane St
Post Falls, ID 83854

Submission #:04592528
Quote Letter #:16161054
Quote Date:01/26/2024

We are pleased to offer the following quote. This quote is valid until 02/25/2024 unless extended and agreed to in writing by us. Please read carefully as the terms and conditions of coverage may differ from those requested. **THIS IS NOT A BINDER OF INSURANCE.**

Company: Kinsale Insurance Company
Coverage Form: Employment Related Practices Liability

Policy Term: 12 Month(s) - Effective Date TBD
Retro Date: Inception

Limits:

Each Claim - Employment Practices Liability	\$3,000,000
Aggregate Limit - Employment Practices Liability	\$3,000,000

Deductible:

Each Claim Deductible - Employment Practices Liability	\$50,000
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Premium: \$14,180
ID S/L Tax: \$219
Stamping Fee: \$73
Provider Fee: \$150
Policy Fee: \$300

TOTAL PREMIUM: \$14,922

Minimum Earned Premium	25.00%
Minimum Deposit Premium	100.00%

Company Fees are fully earned.

Premium is 100.00% minimum and deposit.

Taxes, fees and surcharges are the responsibility of the broker.

If this quote indicates the policy would be subject to audit, the initial premium charged is estimated and considered a deposit premium, the final premium charged for the policy will be determined by audit based on the actual risk exposure during the policy term. Audit will take place at the end of the policy term or upon policy cancellation.

Class Description

Employment Practices Liability

This quote is subject to the specified conditions and may be withdrawn at any time prior to acceptance and in no event will it remain open beyond the quote expiration date unless extended by us in writing. Changes in classifications, operations, exposure or risk specific information require notification to us and may result in changes to this quote. Coverage may not be bound without written confirmation from us. By accepting this quote, you consent to receiving the policy electronically. You agree that such electronic delivery satisfies any legal requirement that such delivery be in writing.

Once bound, coverage cannot be cancelled flat. If you cancel coverage or the policy, the greater of the minimum earned premium or the 10% short-rate penalty will apply.

Policy Terms and Conditions - please review policy for complete details

Immigration Practices Defense Only (\$50k/\$50k) - MLEPL2010	Included
Third Party Discrimination Liability Endorsement Including ADA and Class Action Exclusions - MLEPL2006	Included
Wage/Hour Defense Only (\$50K / \$50K) - MLEPL2011	Included

Quote Options - Optional premiums below are in addition to the Total Due at Inception amount shown above.

Contingencies:

This Quote is subject to our receipt and acceptance of the following items:

- 1) Currently valued 5 year loss runs.
- 2) Copy of expiring Dec page showing a retro date & limits equal to our quote with no gap in coverage at the time of binding. If the current retro date is different, has lower limits, or a gap in coverage, this quote is subject to change or revocation.
- 3) Completed Kinsale Employment Practices Application.
- 4) Please provide details on any future anticipated claims.
- 5) Wage & Hour Defense Supplemental Application.

Contingency items must be submitted to a Kinsale Underwriter for favorable review prior to a bind request to confirm this quote remains valid. Quote subject to revision or withdrawal pending final review.

Comments:

Prior & Pending Litigation Date is the inception date of this policy.

Contact Information:

Annette Bates
Associate Underwriter - Management Liability

Annette.Bates@kinsaleins.com
(804) 289-1387

Policy Form and Endorsements: Applicable to mandatory and included coverage options. See above endorsement number references for OPTIONAL coverage forms and endorsements.

MLGEN1000-0717 - Declarations - Management Liability Policy
ADF9013-0323 - Notice - Where To Report A Claim
MLGEN9001-1217 - Policyholder Notice - Risk Management Services
ADF4001-0110 - Schedule of Forms
MLEPL0001-0318 - Employment Practices Liability Coverage Section
MLGEN0001-0920 - Management Liability Policy
MLEPL2006-0621 - Third Party Discrimination Liability Endorsement Including ADA and Class Action Exclusions
MLEPL2011-0223 - Wage and Hour Claim Defense Only Sublimit and Separate Retroactive Date Endorsement (\$50k/\$50k; \$50k; Retro Date RDI)
MLEPL3004-0619 - Exclusion- Statutory Attorneys' Fees

MLGEN3002-0916 - Exclusion of Designated Person or Entity (Regina McCrea)
MLGEN3003-0916 - Exclusion of Other Acts of Terrorism; Exclusion of Punitive Damages and NBCR Related Terrorism;
Cap on Losses From Certified Acts of Terrorism
MLGEN3007-0520 - Exclusion - Communicable Disease
ADF9010-0321 - Notice of Terrorism Insurance Coverage
IL0985-1220 - Disclosure Pursuant to Terrorism Risk Insurance Act
IL1201-1185 - Policy Changes (Immigration Sublimit; \$50k/\$50k; \$50k; Retro Date RDI)
ADF9004-0110 - Signature Endorsement
ADF9009-0110 - U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders

THIS QUOTE IS FOR A CLAIMS MADE AND REPORTED POLICY. THE COVERAGE REQUIRES THAT A CLAIM BE FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD AND BE REPORTED IN WRITING TO THE COMPANY WITHIN THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. IF YOUR POLICY PERMITS REPORTING OF INCIDENTS, INCIDENTS MUST BE REPORTED WITHIN THE POLICY PERIOD. PLEASE REFER TO SECTION VIII-ADDITIONAL TIME IN WHICH TO REPORT CLAIMS FIRST MADE AT THE END OF THE POLICY PERIOD. THE LIMIT OF INSURANCE MAY BE REDUCED BY PAYMENT OF DAMAGES AND DEFENSE COSTS. PLEASE READ THE ENTIRE POLICY CAREFULLY.



Employment Practices Liability
Management Liability Division

Employment Practices Liability Policy Features:

X	Claims-Made and reported policy;
X	Duty to defend with consent to settle wording;
X	Definition of insured includes any past, present and future principal, partner, officer, director, stockholder, trustee, member, manager, or employee, of the named insured policyholder, and the heirs, executors, administrators and legal representative of each insured;
X	Spouse or domestic partner is covered in a claim solely by reason of such spousal or domestic partner's status or such party's ownership interest in property or assets sought as recovery;
X	Named insured subsidiary organization coverage provided;
X	Definition of covered employment practices wrongful acts includes fifteen (15) specifically listed covered exposures;
X	Deductible applies to claims and defense costs;
X	Worldwide coverage territory, provided claims are brought in the United States, its territories or possessions, or Canada;
X	Definition of employee includes any individual whose labor or service is engaged by and directed by the named insured policyholder including volunteer and staff members (including part-time, full-time, seasonal, temporary, joint and leased employees);
X	The named insured may cancel the policy immediately upon written notification;
X	Cancellation or non-renewal notices at least 30 days prior to the expiration date (10 days for non-payment of premium or deductible);
X	Automatic mini-Extended Reporting Period Included;
X	Optional extended reporting periods of various lengths may be available;
X	Bi-lateral extended reporting period;

This summary does not alter or otherwise impact the insurance policy coverage or provisions issued by Kinsale. This summary is not a representation that coverage does or does not exist for any particular claim or loss under such policy. Coverage depends upon the facts and circumstances involved in the claim or loss and all applicable policy provisions. You **must read** the insurance policy for complete coverage details.

2035 Maywill Street, Suite 100
Richmond, VA 23230
(804) 289-1300





Risk Management Hotline
Management Liability Division

As an additional benefit to its policyholders, Kinsale Insurance Company has arranged with the national law firm Wilson Elser Moskowitz Edelman & Dicker LLP (Wilson Elser), to offer a toll free Risk Management Hotline. Contact information to utilize this service will be provided upon binding this policy with Kinsale Insurance Company.

The hotline will entitle you to confidential consultation time with an attorney experienced in this field with respect to any matter that you believe could result in a claim under your Directors & Officers, Employment Practices or Fiduciary Liability policy. You may also use this service to obtain prospective risk management counseling to mitigate potential exposure and avoid claims with respect to matters insured under your respective policy.

The conditions and limitations pursuant to which this service is provided will be further addressed during your first contact.

The Risk Management Hotline is **NOT** for reporting a claim as required under your respective policy. To report a claim you must follow the claim reporting instructions contained in the Policy and also notify your insurance agent or broker.

If you have any questions concerning the Risk Management Hotline, please contact your insurance agent or broker.

2035 Maywill Street, Suite 100
Richmond, VA 23230
(804) 289-1300



Combo Your Management Liability Quote

with Excess Professional coverage options

Thank you for using Kinsale for your account.
Click the **icons** below to enhance your account with additional coverages.



COVERAGES

- Directors & Officers
- Employment Practices Liability
- Fiduciary Liability

POLICY STRUCTURE

- Follow-Form Excess
- Up to \$10M in capacity
- Supported or unsupported

EXCESS MANAGEMENT LIABILITY SUBMISSIONS

xp@kinsaleins.com

Visit [kinsaleins.com](https://www.kinsaleins.com) to view our full coverage options and product offerings.

Products are distributed through select surplus lines brokers. Kinsale Insurance Company is eligible in all fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Kinsale has an A (Excellent) Financial Strength Rating from A.M. Best Company.

2035 Maywill Street, Suite 100 | Richmond, VA 23230 | (804) 289-1300 | www.kinsaleins.com



JOINT POWERS SUBSCRIBER AGREEMENT

Idaho Counties Risk Management Program, Underwriters

This *JPA* is entered into pursuant to Idaho Code, Sections 67-2326 through 67-2333, by political subdivisions of the state of Idaho as defined by the Idaho Tort Claims Act, as subscribers to counterparts of this *JPA*, for the purpose of operating a separate legal entity to be known and designated as the Idaho Counties Risk Management Program, Underwriters, hereinafter referred to as "*ICRMP*". *ICRMP* is a reciprocal insurer organized under Idaho Code, Title 41, Chapter 29.

It is agreed among the *members* of *ICRMP*, all of which have accepted this *JPA* or a prior counterpart, that by virtue of accepting the terms of this version of the Joint Powers Subscriber Agreement, hereinafter referred to as "*JPA*", by approving a prior counterpart and subsequently renewing participation after changes to a prior counterpart have been implemented by the Board of Trustees or by paying a premium of insurance as billed, as follows:

Whereas political subdivisions of the State of Idaho have the authority to purchase liability insurance for themselves and their employees pursuant to Idaho Code § 6-923 and to contract for property and other insurance coverage as they deem necessary or proper pursuant to Idaho Code § 67-2328; and

Whereas it is to the mutual benefit of political subdivisions to join together to establish the legal entity created by this *JPA* to accomplish the purposes hereinafter set forth; and

Whereas the laws of the State of Idaho authorize the formation of what has been classified as a reciprocal insurer by political subdivisions without abrogating any privileges or immunities accorded to them by law; and

It is agreed in consideration of the mutual advantages, obligations and benefits to each political subdivision and the mutual covenants herein contained, the members of *ICRMP*, with the consent and concurrence of the subscribing political subdivision:

ARTICLE I. DEFINITIONS.

As used in this *JPA*, the following terms shall have the respective meanings hereinafter set forth:

- (1) *Board*. The Board of Trustees of *ICRMP*, which shall serve as the Subscribers' Advisory Committee, as such is required by Idaho Code Title 41, Chapter 29.
- (2) *Executive Director*. The person designated by the *Board* to exercise the authority and to fulfill the duties of the chief administrative officer of *ICRMP*.
- (3) *ICRMP*. The Idaho Counties Risk Management Program, Underwriters, a pooled insurance and risk management program established pursuant to the statutes of this state as an

independent Idaho governmental entity and licensed as a reciprocal insurer pursuant to Idaho Code Title 41, Chapter 29.

- (4) **JPA.** This agreement more formally known as the Joint Powers Subscriber Agreement, wherein political subdivisions agree to participate in the insurance and related risk management offerings as a result of that insurance of **ICRMP** as set forth by the **Board**.
- (5) **Members.** The political subdivisions, which qualify and agree to the terms of this **JPA** or such **JPA** as revised upon approval by the **Board** from time to time.

ARTICLE II. ESTABLISHMENT, PURPOSE, FINANCING AND DURATION OF ICRMP.

This **JPA** is intended to continue the organization and operation of **ICRMP** into future years upon the foundation laid by prior joint powers agreements. This **JPA** supersedes all prior **ICRMP JPAs** and will become effective for all **members** on the date identified in the footer of this version of the **JPA** upon acceptance of the tender of continued participation offered during the annual renewal process in which a policy of insurance is issued. Changes to the **JPA** are deemed accepted either by express action by the governing board or by renewing participation in **ICRMP** by paying the determined premium for the policy of insurance issued for a succeeding year.

- (1) It is the intent of the **members** of **ICRMP** to create a separate entity of unlimited duration that will administer an insurance and related risk management program and use funds paid by **members** to defend and indemnify, in accordance with this **JPA** and issued policy(ies) of insurance, any **ICRMP members** against liability or loss as described in the issued policy of insurance, up to the limits of the policy of insurance issued by or procured through **ICRMP**.
- (2) All income and assets of **ICRMP** shall be at all times dedicated to the ultimate benefit of its **members** in matters of insurance and related risk management programs, inclusive of matters not directly addressed by **ICRMP** issued policies.
- (3) It is the intent of the **members** that **ICRMP members** share the costs of insurance and related risk management obligations which the **members** desire to implement.
- (4) Participation in **ICRMP** shall be comprised of those political subdivisions that have approved this **JPA** or one of its prior iterations and that have agreed to pay the required premium for the issued policy of insurance. **Members** agree to the admission of future **members** in accordance with provisions of the current **JPA** and acknowledge that they shall have no right to object to the addition of such **members**. The **Board**, or the **Executive Director**, as delegated by the **Board**, is authorized to attach conditions to entry into **ICRMP** membership or to maintenance of membership in **ICRMP** in the interest of protecting the shared interests of participating **members**. Such conditions may include premium surcharges, coverage limitations, reductions of limits or other methods designed to reduce risk exposure or to protect the shared interests of other **ICRMP members**.

ARTICLE III. ATTORNEY-IN-FACT POWERS, EXPENSES AND DUTIES.

- (1) To the extent required by Idaho Code Title 41, Chapter 29, and not inconsistent with applicable constitutional and statutory obligations and prerogatives, *member* hereby appoints *ICRMP*, as its Attorney-in-Fact empowered to take all actions and execute all documents which are necessary or appropriate in carrying on the business of insurance through *ICRMP* on behalf of *member*.
- (2) *Member* agrees that the *Board* of *ICRMP* may delegate powers to an *Executive Director* in accordance with this *JPA*. The *Executive Director's* obligations and liability shall be limited by the terms and conditions of *ICRMP's JPA* and by the Idaho Tort Claims Act. The *Executive Director* appointed by the *Board* is hereby empowered by the undersigned to accept service of process on behalf of *ICRMP*. Such authorization does not supersede the procedural requirements of this *JPA*. The general services to be performed by the *Executive Director* shall include, but not be limited to:
 - (a) issuing, underwriting and servicing policies of insurance;
 - (b) contracting with agents for sale and servicing of policies of insurance;
 - (c) executing treaties of reinsurance or contracts of excess insurance;
 - (d) providing risk management services and administering programs to diminish claims for damages; and
 - (e) supervising the investment policy of *ICRMP*.
- (3) The general items of expense to be paid by *ICRMP* shall include, but not be limited to:
 - (a) losses and claims payments;
 - (b) allocable claims expense;
 - (c) governmental charges, license fees, and lawful taxes;
 - (d) expenses incurred in auditing *ICRMP's* books and records;
 - (e) premium amount collection costs;
 - (f) *Board* expenses;
 - (g) premiums on reinsurance and excess insurance;
 - (h) fees of investment counsel and direct investment expense;
 - (i) salaries and expenses of officers and employees of *ICRMP*;
 - (j) disbursement of dividends;
 - (k) special expenses authorized by the *Board* of *ICRMP*;
 - (l) broker and producer commissions;
 - (m) indemnity insurance premiums;
 - (n) office expenses;
 - (o) actuarial, auditing, legal, risk management and loss prevention expenses, and
 - (p) awarding grants to *members*.
- (4) The Power of Attorney conveyed herein shall expire upon termination of all obligations of *ICRMP*. The liability of each *member* for the obligations of *ICRMP* shall be an individual, several and proportionate liability and not a joint liability. The liability of each *member* shall be limited as stated in this *JPA* provided, however, that in no event shall any *member* be

required to contribute more than the amount authorized by applicable state statutes and constitutional provisions pursuant to which **ICRMP** is established.

ARTICLE IV. SCOPE OF POLICY OF INSURANCE.

- (1) In accordance with Idaho Code § 41-2921, **member** acknowledges that its policy of insurance transfers risk of loss from the **member** to **ICRMP** subject to the terms, conditions and exclusions addressed by its issued policy of insurance.
- (2) **Member** acknowledges that not all risks are insurable and that any excluded risks or claims will not be transferred to **ICRMP** as a result of this **JPA**.
- (3) In the event that a claim or a series of claims exceeds the amount of coverage provided by the **member's** policy of insurance, payment of claims and expenses are the sole and separate obligation of the individual **member** or **members** against whom the claim was made resulting from litigation or settlement. No **member** shall be entitled to a contribution from other **members** to cover the cost of claims that exceed the coverage or limits of its policy of insurance, or are not covered by its policy of insurance.

ARTICLE V. ICRMP POWERS AND DUTIES.

The powers of **ICRMP** to perform and accomplish the purposes set forth above shall be to:

- (1) Employ agents, employees and independent contractors.
- (2) Purchase, sell, own, encumber and lease real property; to incur obligations on behalf of ICRMP to the extent permitted by Idaho statutes and the Idaho Constitution; and to purchase, sell, or lease equipment, machinery, and personal property.
- (3) Invest funds.
- (4) Carry out educational and other programs relating to risk management, including the prerogative to offer discounts or credits upon demonstrating compliance with standards for **Board** approved risk reduction methods or plans.
- (5) Create, collect funds for, and administer an insurance and related risk management program.
- (6) Purchase excess insurance and/or reinsurance to supplement the self-insured retention.
- (7) Provide property and casualty insurance, risk management, underwriting, claims adjustment, training, and consultation, or to contract for such services, including the defense and settlement of claims, subject to specific limitations and/or restrictions, imposed and adopted by the **Board**.

- (8) Carry out such other activities as are necessarily implied or required to carry out the purposes of *ICRMP*, even though such undertakings might not be known at the time of entering into this *JPA* or might not be included within the specific powers enumerated in this article.
- (9) Sue and be sued.
- (10) Enter into contracts.
- (11) Reimburse *Board* members for approved expenses incurred in attending to Board responsibilities.
- (12) Provide security, insurance or bonds regarding the official responsibilities of all officers, Board members and employees of *ICRMP*.
- (13) Borrow funds with approval by the *Board* as necessary for current operating purposes, so long as repayment is achieved before the conclusion of the subsequent fiscal year.
- (14) Establish terms and conditions of initial or continued membership in *ICRMP*.

ARTICLE VI. MEMBERS' RIGHTS AND OBLIGATIONS - DISPUTE RESOLUTION PROCEDURES.

Warranty of Eligibility – Each *member* authorizing participation in *ICRMP* by approval of this *JPA* and execution by an authorized official hereby warrants that it is a political subdivision of the state of Idaho as defined by the Idaho Tort Claims Act and thereby eligible to be a *member* of *ICRMP*. By such warranty each *member* consents to its immediate separation from *ICRMP* participation upon discovery that it is not a qualifying political subdivision. Each *member* also agrees that it will indemnify *ICRMP* for any loss *ICRMP* may suffer by virtue of the inapplicability of privileges and immunities otherwise available to political subdivisions of the state of Idaho by virtue of the mischaracterization of any *member* as a qualified Idaho political subdivision.

- (1) An individual *member* of *ICRMP*, acting through their respective governing boards, shall have the right to:
 - (a) Petition the *Board* to be heard as described below.
 - (b) Request withdrawal of participation. *Members* recognize that *ICRMP* is managed for long-term participation and that *JPA*s that support *ICRMP* operation are of one-year or longer duration. Consequently, withdrawal during the course of a policy of insurance year may be subject to additional financial obligation for the *member* as determined by the *Board*.
 - (c) After its membership in *ICRMP* exceeds one year, to nominate, recommend or vote concerning selection of a representative to serve on the *Board*.

- (2) The obligations of *members* of *ICRMP* shall be as follows:
- (a) To pay promptly all premiums of insurance to *ICRMP* at such times and in such amounts as shall be established by the *Board* pursuant to this *JPA*. Any delinquent payments may incur interest, penalties or other financial consequences as determined by resolution of the *Board*.
 - (b) To allow *ICRMP's* agents and employees reasonable access to all premises and records of the *member*, required for the administration of *ICRMP*.
 - (c) To cooperate fully with *ICRMP's* attorneys, claims adjusters and any other employee or officer of *ICRMP* in activities relating to the purposes and powers of *ICRMP*.
 - (d) To make good faith efforts to follow the safety, loss reduction, risk management, and loss prevention recommendations made by *ICRMP*.
 - (e) To provide *ICRMP* no less frequently than annually, or in accordance with the issued policy of insurance, with information demonstrating the value of insured real and personal properties.
 - (f) To utilize procedures regarding a dispute over the application of the terms of the *JPA* or insurance coverage, prior to communicating such dispute to a state or federal administrative agency or official, or prior to initiating legal or equitable proceedings against *ICRMP*. *Members* expressly agree to follow the dispute resolution procedures as described in this *JPA* before filing any claim in law or equity against *ICRMP* or any *ICRMP* employee or *Board* member in any court or before a regulatory agency. *Member* expressly agrees that failure to exhaust the internal dispute resolution procedures described in this *JPA* constitutes a material breach of this *JPA*. *Member* agrees that *ICRMP* may enforce this provision. A *member* that pursues any action or proceeding against *ICRMP* in court or before a regulatory agency agrees to reimburse *ICRMP* its reasonable costs and attorney fees incurred in defense of any such suit or administrative proceeding if the matter has not first been brought to the *Board* pursuant to the dispute resolution procedure as described in this *JPA*. The restrictions contained in this subsection may be waived only upon written agreement of the *Board*.
- (3) The procedure of dispute resolution shall be:
- (a) Filing a written statement by the *member* stating the specific basis for disagreement. All written statements must be sent to the *Executive Director* prior to *Board* involvement. Such filing shall be followed by a conference with the *Executive Director*, in person or by electronic means, to attempt to resolve the dispute. The *Executive Director* shall respond to the *member* in writing not more than ten (10) business days after the conference. Such written response shall set forth the basis of the *Executive Director's* decision concerning the matter.

- (b) Following receipt of the *Executive Director's* written response, *member* may request review of the determination of the *Executive Director* by the *Board*. Any such request shall be made in writing, setting forth the specific basis for the request and the particular reasons for disagreement with the determination of the *Executive Director*.
- (c) The *Board* may hear an oral presentation, not in excess of one hour, by the *member* governing board, or its attorney, or resolve the matter based upon the written request for review. The *Board* will have the option of obtaining a response from *ICRMP* staff. The *Board* shall issue its decision in writing within thirty (30) days of the oral presentation by the *member* or review of the written request for review or reconsideration, unless the *Board* determines good cause to extend the time for issuing its decision. The *Board* may consult with its staff, legal advisers and/or consultants. The written decision of the *Board* shall be final. Until a final decision is made pursuant to the procedures set forth in this Article, no *member* may initiate or institute legal or equitable actions against *ICRMP*, its officers, or employees, arising out of the application of the *JPA*. No claim or complaint shall be initiated by a *member* before a state or federal administrative agency or official without completing the dispute resolution procedure set forth herein.
- (d) The *Board* reserves the right to vary the foregoing procedures as necessary to accommodate the interests of *ICRMP*, its *members*, or others with an interest in the just resolution of differences regarding application of the *JPA* or insurance coverage.

ARTICLE VII. PREMIUM OF INSURANCE.

The *Board* shall institute methods to establish annual or periodic premium of insurance amounts for *members*. *ICRMP* may change such amounts charged to any *member* from year to year to reflect changes in *ICRMP* operating costs, changes in risk resulting from operational changes, changes in property values or ownership, reevaluation of operating risks, *member* conduct, or refusal to participate in safety, loss prevention, or risk management programs, or for other reasons established by the *Board*. Conversely, *ICRMP* may offer premium discounts to any *member* that faithfully participates in loss prevention, risk management, and safety programs or for other reasons established by *ICRMP*. Each *member's* premium for the policy of insurance amount shall be calculated in accordance with rate determination methods approved by the *Board* for any policy of insurance year. It is agreed that the *Board's* rate determination will not be inadequate, excessive, or unfairly discriminatory, relative to the assessable risk of each *member* as determined by the *ICRMP Board*. *Members* acknowledge that rate-setting involves risk and exposure assumptions that rely upon the professional judgment of the *Board* and its staff and advisors. No *member* may be further assessed during a policy of insurance year unless in response to a material change in property or activities not disclosed or addressed at the time of annual renewal. Additional premium for the policy of insurance amounts may be charged when changes are made to covered property or activities during the course of a policy of insurance year. *ICRMP* reserves the right to condition continued participation by any *member* upon compliance with specific performance requirements, payment of modified deductible amounts and such other measures as *ICRMP* deems necessary or appropriate. *ICRMP* reserves, the right to cancel or refuse to renew insurance coverage, in accordance with Idaho law.

ARTICLE VIII. BOARD OF TRUSTEES – ELECTION, APPOINTMENT AND REMOVAL.

The **Board** shall be comprised of nine (9) elected public officials, six (6) of whom shall be county commissioners, two (2) city mayors, and one (1) special purpose district governing board member. The electoral/appointive boundaries for the **Board** shall be organized as follows as long as they are **members** of this **JPA**:

- (1) County District I: Counties of Boundary, Bonner, Kootenai, Benewah and Shoshone.
- (2) County District II: Counties of Latah, Clearwater, Nez Perce, Lewis and Idaho.
- (3) County District III: Counties of Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore, and Owyhee.
- (4) County District IV: Counties of Camas, Blaine, Gooding, Lincoln, Jerome, Minidoka, Twin Falls and Cassia.
- (5) County District V: Counties of Bingham, Power, Bannock, Caribou, Oneida, Franklin and Bear Lake.
- (6) County District VI: Counties of Lemhi, Custer, Clark, Fremont, Butte, Jefferson, Madison, Teton and Bonneville
- (7) Region I: Mayor of a city from within Districts I, II, and III.
- (8) Region II: Mayor of a city from within Districts IV, V and VI.
- (9) Special District Member: Elected official of any **member** other than a county or city, selected by a vote of the **Board**, chosen from nominees submitted by elected officials for **member** Special Districts.

Each member of the **Board** shall serve for a period of two (2) years, or until a successor is elected or appointed. Four (4) members of the **Board** (even-numbered County Districts and the Region II seat) shall be elected for two (2) year terms in the final months of odd-numbered years, while another five (5) members of the **Board** (odd-numbered County Districts and the Region I seat plus the Special District Member) shall be elected/appointed for two (2) year terms in the final months of even-numbered years. The **Executive Director** shall administer the election process so as to allow election results to be canvassed by the **Board** prior to undertaking official **Board** business in the succeeding calendar year. The respective boards of county commissioners of each **member** county may vote for their District **member** of the **Board**; governing boards of cities may vote for regional City representatives; and Special District **member** candidates may be nominated by governing boards of **member** Special Districts. Incumbent **Board** trustees may qualify for inclusion on a subsequent election ballot by expressing a desire to do so in writing to the **Executive Director**. Ballots must be received by **ICRMP** at a time and place specified by the **Executive Director**. Each trustee of the **Board** shall serve from the date of the first **Board** meeting in the year succeeding

his/her election/appointment through the conclusion of his/her term unless re-elected/reappointed. Should any seat on the **Board** become vacant, the **Board** may fill such vacancy for the remainder of the former official's term by appointment of another official.

At any time during the term of a trustee, such trustee may be removed by either of two (2) methods. The first method by which an elected trustee may be removed is by **Board** receipt of a declaration of no confidence by the governing boards of the previously voting **member** entities equal to at least one-half (1/2) plus one of the number of votes received by the trustee when the trustee was most recently elected to the **Board**.

The second method is a vote by a majority of members of the **Board**, excluding the trustee that is the subject of the declaration. After a majority vote, the **Board** shall submit a declaration to the trustee's constituent electors, stating the reasons therefore.

Any trustee holding an appointive or *ex-officio* non-voting position may be removed by majority vote of the **Board**.

ARTICLE IX. POWERS AND DUTIES OF THE BOARD OF TRUSTEES.

The **Board** shall have the following powers and duties to:

- (1) Annually elect a chair and vice-chair.
- (2) Establish procedures for determining premium amounts for policies of insurance for **members**.
- (3) Establish the insurance and risk management program design.
- (4) Select an **Executive Director**, to supervise the business of **ICRMP** and carry out other functions delegated by the **Board** and the **Executive Director** may in turn select all personnel and contractors necessary for the administration of **ICRMP**.
- (5) Establish a schedule for **Board** meetings and set a place for such meetings. All Idaho law applicable to public meetings shall be observed. A majority of seated trustees (as opposed to unfilled seats) shall constitute a quorum to do business. All decisions of the quorum shall require a majority vote of the trustees present and voting at a meeting, unless otherwise required by law.
- (6) Exercise all powers of **ICRMP**, except powers reserved to the **members**.
- (7) Adopt, and oversee **ICRMP's** budget.
- (8) Receive reports concerning **ICRMP** activities and to make reports to the **members**.

- (9) Provide for underwriting, claims and risk management procedures.
- (10) Provide for the investment and disbursement of funds.
- (11) Enact resolutions establishing procedures governing its own conduct and the powers and duties of its officers, not inconsistent with this *JPA* and applicable provisions of law.
- (12) Approve all *ICRMP* internal policies.
- (13) Form committees and determine the method of appointment and terms of members of committees.
- (14) Submit to *members* an amended *JPA* upon adoption and at the date of periodic renewal, for re-adoption, express acceptance, or payment of a premium for a policy of insurance by *members*.
- (15) Dissolve *ICRMP* when *Board* action is accompanied by a two-thirds (2/3) vote of the entire then-current *members*, provided that a notice of intent to dissolve *ICRMP* shall be given to the Director of the Department of Insurance of the State of Idaho at least ninety (90) days prior to the proposed effective date. Like notice of such intent shall be provided to all *members* at least thirty (30) days before any such vote regarding dissolution in compliance with title 41, Idaho Code and other applicable statutes. Assets remaining after discharge of its indebtedness and policy of insurance obligations, the return of any surplus made and the return of any unused premium, savings or credits then standing on *members* accounts, shall be distributed to its *members* who were such within the twelve (12) months prior to the last termination of its certificate of authority, according to such reasonable formula as the Director of the Department of Insurance may approve pursuant to Idaho law.
- (16) Appoint or remove non-voting *ex-officio* members of the *Board*.
- (17) Do or delegate all acts necessary and proper for the implementation of this *JPA*.
- (18) Maintain available funds in amounts reasonably sufficient to annually provide the resources necessary to fund *ICRMP's* general and administrative expenses, any reinsurance or excess insurance requirements, to pay the current year's claims and claims expenses and to sustain the financial stability of *ICRMP*, in addition to funds necessary to meet *ICRMP's* obligation to satisfy the requirements of any regulatory authority.
- (19) Approve all non-renewals or cancellations of policies of insurance.

ARTICLE X. LIABILITY OF BOARD TRUSTEES and EMPLOYEES

The *Board* trustees of *ICRMP* must use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. *Board* trustees shall not be personally liable for any mistake of judgment or other action made, taken, or omitted by them in

good faith; nor for any action taken or omitted by any producer, agent, employee, or independent contractor selected with reasonable care. No **Board** trustee shall be personally liable for any action taken or omitted by any other trustee. The assets of **ICRMP** may be used to defend and indemnify any trustee, officer, or employee for actions taken by each such person in good faith within the scope of his or her authority for **ICRMP**. **ICRMP** may purchase insurance providing coverage for trustees, officers, and employees.

ARTICLE XI. VOLUNTARY MEMBER WITHDRAWAL.

Any **member** may request withdrawal from this **JPA**, by giving notice to the **Executive Director**, in writing, of its desire to withdraw. Any **member** may withdraw from **ICRMP** within thirty (30) days after the date that **ICRMP** gives notice in writing of an amendment to this **JPA** or its accompanying policy of insurance by tendering to the **Executive Director** written notice of its intent to withdraw. A voluntarily withdrawing **member** shall be deemed to have forfeited any claim of right or equity to any portion of **ICRMP** reserves or surplus or to any credit or dividend, should any be declared by the **Board** and will be deemed a cancellation request of the currently issued policy of insurance.

ARTICLE XII. BINDING CONTRACTUAL OBLIGATION.

This document shall constitute a **JPA**, a binding contract, among those political subdivisions that are **members** of **ICRMP**. The terms of this **JPA** may be enforced in court by **ICRMP** itself or by any of its **members** subject to the terms and conditions of applicable laws and this **JPA**. The consideration for the duties herewith imposed upon the **members** to take certain actions and to refrain from certain other actions is based upon the mutual promises and agreements of the **members** set forth herein. **Member** asserts that it has complied with relevant laws and that it waives its ability to object to the binding nature of this **JPA** by virtue of informalities in its approval. Except to the extent of the premium for the policy of insurance paid to **ICRMP** agreed to, or such additional obligations as may come about through amendments to this **JPA**, no **member** agrees or contracts herein to be held responsible for any claims in tort or contract made against any other **member**. The contracting parties intend in the creation of **ICRMP** to establish an organization for joint insurance and related risk management only within the scope herein set out and have not herein created as between **member** and **member** any relationship of general surety or indemnitor, nor by participating herein does any **member** otherwise assume responsibility for the debts of or claims against any other **member**.

ARTICLE XIII. DISTRIBUTION OF PROPERTY, FUNDS AND SUPPLIES UPON DISSOLUTION OF ICRMP.

In the event that **ICRMP** is dissolved, all property or assets acquired by **ICRMP** shall be liquidated in a manner permissible by law, and the proceeds of such liquidation shall be disbursed to the then-current **members** at a rate proportionate to each **member's pro rata** share of the cumulative premium of insurance paid to **ICRMP** for the most recent five (5) fiscal years. Said determination

of net asset distribution shall be by the **Board** subject to application of the business judgment rule under Idaho law.

ARTICLE XIV. SEVERABILITY.

In the event that any article, provision, clause or other part of this **JPA** is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, provisions, clauses, applications or occurrences, and this **JPA** is expressly declared to be severable.

ARTICLE XV. MISCELLANEOUS PROVISIONS

- (1) The provisions of this **JPA** shall be interpreted pursuant to the laws of the State of Idaho.
- (2) The parties hereto consent that courts in the State of Idaho shall have jurisdiction over any dispute arising under this **JPA** after exhaustion of the dispute resolution procedures provided for herein.
- (3) No waiver of any breach of this **JPA** or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.
- (4) In the event that any provision of this **JPA** is in conflict with or is incompatible with the **member's** policy of insurance issued hereunder, the terms and conditions of the **member** policy of insurance shall prevail and take precedence.
- (5) This **JPA** may be modified or amended in writing as authorized by the **Board**. Provided, however, no such modification shall be effective retroactively, or as to any insurance or coverage issued prior thereto. Said modifications may be made effective during a policy of insurance year only to comply with applicable laws respecting operation of **ICRMP** or with express consent of the **member**. Changes may be made to the policy of insurance issued by **ICRMP** at any time during the policy year in accordance with rules or statutes governing the business of insurance within the State of Idaho.
- (6) **Member** agrees to hold **ICRMP**, its employees, contractors, and/or legal counsel, harmless and without liability to **member** from any claims arising out of risk management or related administrative activities undertaken for **member's** benefit. **ICRMP** assumes no responsibility for the operation of **member's** political subdivision. **Member** further agrees that communications with attorneys on the **ICRMP** staff or retained by **ICRMP** to assist a **member** to resolve or avoid claims will remain confidential pursuant to the Attorney-Client privilege and that written materials generated as a consequence of such effort to assist **member** shall constitute attorney work product. **Member** further agrees that the employees, contractors and/or legal counsel of **ICRMP** when acting in a risk management capacity are representing

ICRMP, not **members**, and that information obtained in such risk management capacity may be provided to **ICRMP** in order to carry out the purposes of this **JPA**.

- (7) All notices required to be given under this **JPA** shall be delivered in writing. Notices by a **member** to **ICRMP** shall be sent to **ICRMP'S** principal place of business. Notices to any **member** shall be sent to the **member's** last known address. In the event that any party to this **JPA** desires to change its address, notice of change of address shall be sent to the other party by United States Mail, or e-mail to intake@icrmp.org.
- (8) Other procedural requirements may be established by applicable state law. Additionally, nothing contained in this **JPA** shall prohibit the **ICRMP Board** from adopting procedural standards or guidelines for the conduct of **Board** business or from authorizing administrative policies to guide **ICRMP's** internal affairs.
- (9) Confidentiality - **ICRMP** agrees to keep **member** information received confidential under the law of the state of Idaho or federal law. However, in cases of electronic breach of confidential information of a **member** or of **ICRMP**, it is agreed that **ICRMP** may share **member** confidential information with any governmental entity that will attempt to terminate, alleviate, or rectify the electronic breach, as well as to any appropriate state or federal law enforcement agency.
- (10) This **JPA** shall be automatically renewed, annually or periodically, consistent with **Board** established policy of insurance terms, absent withdrawal, cancellation or nonrenewal.

ARTICLE XVI. EXECUTION AND ATTEST.

In Witness hereof, this *JPA* is executed on the 28 day of Sept. 2023 by the undersigned who are duly authorized officer(s) of the political subdivision indicated below and by *ICRMP*, pursuant to action taken by the governing Board of the *member* on the 28th day of Sept. 2023 or by payment of the required premium of insurance. Such payment of premium for the policy of insurance, execution upon this *JPA* or upon execution of a prior counterpart accompanied by continuing renewal shall constitute agreement by the political subdivision to the terms and conditions of membership in *ICRMP* until proper written notice of withdrawal is provided as provided herein, or upon cancellation or nonrenewal of insurance under Idaho law.

POLITICAL SUBDIVISION: Community Library Network

By: Rachelle Otterson
CHAIRMAN OF THE BOARD, MAYOR, OR OTHER
EXPRESSLY AUTHORIZED OFFICER

Title: Chair

Attest/Witness: Timothy M. Pile
CLERK OR OTHER AUTHORIZED OFFICER

ACCEPTED FOR THE IDAHO COUNTIES RISK MANAGEMENT
PROGRAM, UNDERWRITERS (ICRMP)

By: _____
EXECUTIVE DIRECTOR



301 E. Fourth Street, Cincinnati, OH 45202

ExecProsm
DECLARATIONS
for
Nonprofit Solution
Insurance Policy

Insurance is afforded by the company indicated below: (Each a capital stock corporation)

[X] Great American Insurance Company

Policy Number: EPPE912516

Policy Form Number:

D16100-G

Item 1. Name of Organization: COMMUNITY LIBRARY NETWORK

Mailing Address: 821 N SPOKANE STREET

City, State, Zip Code: POST FALLS, ID 83854

Attn: Executive Director/President

Item 2. Policy Period: From 10/1/2023 To 10/1/2024
(Month, Day, Year) (Month, Day, Year)

(Both dates at 12:01 a.m. Standard Time at the address of the Organization as stated in Item 1)

Item 3. Aggregate Limit(s) of Liability for each Policy Year:

- (a) \$3,000,000 for all Claims other than Claims for Employment Practices Wrongful Acts.
(b) \$10,000 Donor Data Loss Crisis Fund Sublimit of Liability. This limit is part of and not in addition to the Limit of Liability provided for in 3(a).
(c) \$3,000,000 for all Claims for Employment Practices Wrongful Acts. This limit is:
[] part of and not in addition to the Limit of Liability provided for in 3(a).
[X] separate from and in addition to the Limit of Liability provided for in 3(a).
(d) \$250,000 FLSA Defense Sublimit of Liability. This limit is part of and not in addition to the Limit of Liability provided for in 3(c).

Item 4. Retentions:

Insuring Agreement A: \$ 0 Each Claim
Insuring Agreements B and/or C: \$10,000 Each Claim

Item 5. Premium: Payable as follows:
\$7,362

Item 6. Endorsements Attached:

D16323 D16518 D16527 D16548 D16707 D16712 (12) D16712 (13) D16734 D16740 (4) DTCOV IL7324

Item 7. Notices: All notices required to be given to the Insurer under this Policy shall be addressed to:

Great American Insurance Companies
Executive Liability Division
P.O. Box 66943
Chicago, Illinois 60666

Item 8. Prior & Pending Litigation Date: 10/1/2023

These Declarations along with the completed and signed Proposal Form and Nonprofit Solution Insurance Policy, shall constitute the contract between the Insureds and the Insurer.

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.



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Nonprofit Solution

IDAHO AMENDATORY ENDORSEMENT

In compliance with the insurance regulations of the State of Idaho, this Policy is amended as follows. In the event a similar provision is contained in this Policy, including any other endorsements, the provisions of this endorsement shall take precedence over such similar provision.

CANCELLATION OR NONRENEWAL PROVISIONS

1. The **Organization** may cancel this Policy at any time by mailing or delivering to the **Insurer** advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the **Organization** or the date the **Insurer** receives the request. Upon cancellation, the **Insurer** shall retain the customary short rate portion of the premium.
2. Cancellation by **Insurer** of Policy In Effect
 - (a) sixty (60) days or less:

If this Policy has been in effect for sixty (60) days or less, the **Insurer** may cancel this Policy by mailing or delivering to the **Organization** written notice of cancellation at least:

 - (i) ten (10) days before the effective date of cancellation if the **Insurer** cancels for nonpayment of premium. If delivered via United States mail, the ten (10) day notification period begins to run five (5) days following the date of postmark; or
 - (ii) thirty (30) days before the effective date of cancellation if the **Insurer** cancels for any other reason.
 - (b) more than sixty (60) days:

If this Policy has been in effect for more than sixty (60) days, or is a renewal of a Policy the **Insurer** issued, the **Insurer** may cancel this Policy only for one or more of the following reasons:

Insured: COMMUNITY LIBRARY NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by: 

Authorized Representative

Endorsement Effective Date: 10/1/2023

IDAHO AMENDATORY ENDORSEMENT

- (1) nonpayment of premium;
- (2) fraud or material misrepresentation made by an **Insured** or with an **Insured's** knowledge in obtaining the Policy, continuing the Policy or presenting a claim under the Policy;
- (3) acts or omissions on an **Insured's** part which increase any hazard insured against;
- (4) a change in the risk which materially increases the risk of loss after the Policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) loss of or decrease in reinsurance which provided the **Insurer** with coverage for all or part of the risk insured;
- (6) a determination by the Director of Insurance that continuation of this Policy would jeopardize our solvency or place the **Insurer** in violation of the insurance laws of Idaho or any other state; or
- (7) violation or breach by an **Insured** of any Policy terms or conditions other than nonpayment of premium.

The **Insurer** will mail or deliver written notice of cancellation to the **Organization** at least:

- (a) ten (10) days before the effective date of cancellation if the **Insurer** cancels for nonpayment of premium. If delivered via United States mail, the ten (10) day notification period begins to run five (5) days following the date of postmark; or
- (b) thirty (30) days before the effective date of cancellation if the **Insurer** cancels for any other reason stated in (2)(b) above.

3. Non-Renewal of Policy

- (a) If the **Insurer** elects not to renew this Policy, the **Insurer** will mail or deliver to the **Organization** a written notice of intention not to renew at least forty-five (45) days prior to the expiration or anniversary date of the Policy.

IDAHO AMENDATORY ENDORSEMENT

- (b) The **Insurer** will mail or deliver our notice to the **Organization's** last mailing address known to the **Insurer**.
- (c) If notice is not mailed or delivered at least forty-five (45) days before the expiration or anniversary date of this Policy, this Policy will remain in effect until forty-five (45) days after notice is mailed or delivered. Premium for the extended period of coverage will be calculated pro rata at the rates applicable to the expiring Policy.
- (d) The **Insurer** need not mail or deliver this notice if:
 - (1) it have offered to renew this Policy;
 - (2) the **Organization** has obtained replacement coverage; or
 - (3) the **Organization** has agreed in writing to obtain replacement coverage.
- (e) If notice is mailed, proof of mailing will be sufficient proof of notice.
- (f) If the **Insurer** elects to renew this Policy, the **Insurer** will mail or deliver written notice of any total premium increase greater than ten percent (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the **Organization**, at the last mailing address known to the **Insurer**. Any such notice will be mailed or delivered to the **Organization** at least thirty (30) days before the expiration or anniversary date of the Policy. If notice is not mailed or delivered at least thirty (30) days before the expiration or anniversary date of the Policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
 - (1) thirty (30) days after notice is given; or
 - (2) the effective date of replacement coverage obtained by the **Organization**.

If the **Organization** accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term. If the **Organization** elects not to renew, any premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring Policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.



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INTERESTED PARTY EXCLUSION

It is understood and agreed that this Policy does not apply to any **Claim** made against any **Insured** by or for the benefit of, or at the behest of any Interested Party(ies) listed below, or any person or entity which controls, is controlled by, or is under common control with such Interested Party(ies).

Interested Party(ies)

State of Idaho

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: COMMUNITY LIBRARY NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by: _____

A handwritten signature in black ink, appearing to be "W. E. ...", is written over a horizontal line.

Authorized Representative

Endorsement Effective Date: 10/1/2023



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GENERAL ERRORS AND OMISSIONS EXCLUSION

It is understood and agreed that this Policy does not apply to any **Claim** made against any **Insured** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

any **Insured's** performance of or failure to perform services for others, and caused by any act, error or omission related thereto.

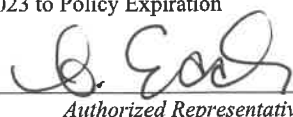
Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: COMMUNITY LIBRARY NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by: _____


Authorized Representative

Endorsement Effective Date: 10/1/2023



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SUBLIMIT OF COVERAGE FOR TELEPHONE CONSUMER PROTECTION ACT CLAIMS

It is understood and agreed that the following changes are made to the Policy:

1. Section III. is amended by the addition of the following:

“TCPA Wrongful Act” shall mean any actual or alleged violation(s) of any federal, state or local laws or regulations pertaining to unsolicited or non-consensual communication, advertising or fundraising, through faxes, telephone calls, texting or any other medium, including, but not limited to the Telephone Consumer Protection Act;

“Statutory Damages” shall mean any amounts imposed upon an **Insured** pursuant to the Telephone Consumer Protection Act of 1991 or any similar state or local law as such amounts relate to a **TCPA Wrongful Act**.
2. Section III.I.(1) is amended by the addition of the following:

This section shall also not apply to **Statutory Damages**.
3. Section III.L. is amended by the addition of the following:

Personal Injury Wrongful Act shall not include any **TCPA Wrongful Act**;
4. Section III.R. is amended by the addition of the following:

Wrongful Act shall also mean **TCPA Wrongful Act**;
5. Section IV.D. is amended by the addition of the following:

Part (3) of this exclusion shall also not apply to any **TCPA Wrongful Act**;
6. Section V. is amended by the addition of the following:

Insured: COMMUNITY-LIBRARY NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by: _____

Authorized Representative

Endorsement Effective Date: 10/1/2023



ExecProSM
Nonprofit Solution

**SUBLIMIT OF COVERAGE FOR TELEPHONE CONSUMER
PROTECTION ACT CLAIMS**

The **Insurer's** maximum aggregate liability for all **Loss** in connection with **Claims** made against any **Insured** for a **TCPA Wrongful Act** shall be \$ 100,000 for each **Policy Year**, which amount is part of, and not in addition to, the maximum Limit of Liability shown in Item 3.(a) of the Declarations regardless of the number of **Claims** during such **Policy Year**.

In the event a **Claim** involves a **TCPA Wrongful Act** and a **Personal Injury Wrongful Act**, such **Claim** shall be considered a **Claim** for a **TCPA Wrongful Act** and shall be subject to the TCPA Sublimit of Liability.

7. Section V.C. is amended by the addition of the following:

With respect to any **Claim** for a **TCPA Wrongful Act**, **Costs of Defense** incurred either by the **Insurer** or the **Insured** shall be considered **Loss** and, therefore, subject to the TCPA Sublimit of Liability and the Retention.

8. Item 3. of the Declarations is amended by the addition of the following:

\$ 100,000 TCPA Sublimit of Liability for **Claims** for any **TCPA Wrongful Act** for each **Policy Year**.

9. Item 4. of the Declarations is amended by the addition of the following:

\$ 1,000 Retention applicable to Insuring Agreements I.B. and I.C. for any **Claim** for **TCPA Wrongful Act**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.



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COSTS OF DEFENSE SUBJECT TO RETENTION

It is understood and agreed that Section V of the Policy is hereby amended as follows:

Section V.C. is deleted and replaced with the following:

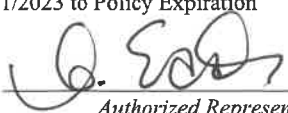
- C. **Costs of Defense** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defense** shall be subject to the Retention amount. If **Costs of Defense** are incurred by the **Insured** with the **Insurer's** consent, such **Costs of Defense** shall be considered **Loss** and thus shall be subject to the Limit of Liability and Retentions.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: COMMUNITY LIBRARY NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by: 

Authorized Representative

Endorsement Effective Date: 10/1/2023



COVERAGE FOR FRAUDULENTLY INDUCED TRANSFERS

For purposes of the coverage provided by this endorsement, it is understood and agreed that the Policy is amended as follows:

- 1. Section VIII. is amended by the addition of the following:

Reimbursement for loss of Funds from a Fraudulently Induced Transfers

The Insurer shall reimburse the Organization or any Subsidiary for loss of Funds resulting directly from a Fraudulently Induced Transfer causing such Funds to be transferred from the Organization's, Subsidiary's or banking premises to a person, entity, place or account outside of the Insured's control; provided such loss occurs during the Policy Period and is reported to the Insurer during the Policy Period. Such coverage is subject to the Sublimit of Liability and Retention stated below.

As a condition precedent for this coverage, before forwarding the Payment Order to a financial institution or issuing the check, an Insured shall have verified the authenticity and accuracy of the instruction received from the purported Employee, customer, Vendor or Owner, including routing numbers and account numbers, by calling, at a predetermined telephone number, the Employee, customer, Vendor or Owner who purportedly transmitted the instruction to an Insured, and the Insured shall have preserved a contemporaneous written record of this verification.

- 2. The Declarations is amended by the addition of the following:

Sublimit of Liability and Retention Applicable to Funds

\$ 50,000 Sublimit for Reimbursement of Funds.
This Sublimit is part of and not in addition to the Aggregate Limit of Liability set forth in Item 3.

\$ 2,500 Retention applicable to any Funds
Payment for each Fraudulently Induced Transfer.

Insured: COMMUNITY LIBRARY NETWORK--

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by:

Authorized Representative

Endorsement Effective Date: 10/1/2023



COVERAGE FOR FRAUDULENTLY INDUCED TRANSFERS

3. Section III. is amended by the addition of the following:

"Fraudulently Induced Transfer" shall mean a transfer resulting from a **Payment Order** transmitted from an **Insured** to a financial institution, or a check drawn by an **Insured**, made in good faith reliance upon an electronic, tele facsimile, telephone or written instruction received by an **Insured** from a person purporting to be an **Employee**, a customer, a **Vendor** or an **Owner** establishing or changing the method, destination or account for payments to such **Employee**, customer, **Vendor** or **Owner** that was in fact transmitted to an **Insured** by someone impersonating the **Employee**, customer, **Vendor**, or **Owner** without an **Insured**'s knowledge or consent and without the knowledge or consent of the **Employee**, customer, **Vendor** or **Owner**.

"Funds" shall mean **Money** and **Securities**.

"Employee" shall mean any natural person:

- (1) while in an **Insured**'s service or for thirty (30) days after termination of service;
- (2) whom an **Insured** compensates directly by salary, wages or commissions; and
- (3) whom an **Insured** has the right to direct and control while performing services for the **Insured**.

"Money" shall mean:

- (1) currency, coins and bank notes in current use and having a face value; or
- (2) travelers checks, register checks and money orders held for sale to the public.

"Owner" shall mean a natural person having an ownership interest in an **Insured**.

"Payment Order" shall mean an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to another person.

"Vendor" shall mean any entity or person that provides or has provided goods or services to an **Insured** pursuant to a preexisting agreement.



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COVERAGE FOR FRAUDULENTLY INDUCED TRANSFERS

“**Securities**” shall mean negotiable and nonnegotiable instruments or contracts representing either **Money** or property and includes:

- (1) tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (2) evidence of debt issued in connection with credit or charge cards, which cards are not issued by the **Organization** or any **Subsidiary**;

but does not include **Money**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.



GREAT AMERICAN NONPROFIT EAGLE ENDORSEMENT

It is understood and agreed that the following changes are made to the Policy:

AMENDMENT TO LIMIT OF LIABILITY

Additional A-Side Limit of Liability

It is understood and agreed that Section V. is amended by the addition of the following:

Notwithstanding anything in this Policy to the contrary, the Policy provides an Additional Limit of Liability dedicated for directors, trustees, officers, regents, governors and members of the Board of Managers. This Additional Limit of Liability shall be \$ 250,000 , which amount is in addition to, and not part of, the aggregate Limit of Liability as set forth in Item 3. of the Declarations.

This Additional Limit of Liability is available solely for **Loss** resulting from any **Claim** against any director, trustee, officer, regent, governor and/or member of the Board of Managers covered under Section I.A. of this Policy, and:

- (1) Any **Loss** resulting from any **Claim** against any director, trustee, officer, regent, governor and/or member of the Board of Managers covered under Section I.A. of this Policy shall first be paid under the aggregate Limit of Liability as set forth in Item 3. of the Declarations, and such Limit of Liability must be completely exhausted by payment of **Loss** under Section I.A., I.B., and/or I.C. of this Policy before **Loss** shall be paid under the dedicated Additional Limit of Liability, and
- (2) The dedicated Additional Limit of Liability shall be excess of any insurance available that is specifically excess of this Policy, and such excess insurance must be completely exhausted by payment of **Loss** thereunder before the **Insurer** shall have any obligations to make payment on account of the dedicated Additional Limit of Liability

Insured: COMMUNITY LIBRARY NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by:

Authorized Representative

Endorsement Effective Date: 10/1/2023

GREAT AMERICAN NONPROFIT EAGLE ENDORSEMENT

TERRORISM TRAVEL REIMBURSEMENT FUNDS

1. Section III. is amended by the addition of the following:

“**Certified Act of Terrorism**” shall mean an act that is certified by the Secretary of the Treasury in accordance with the provisions of the Terrorism Risk Insurance Act to be an act of terrorism pursuant to such Act.

“**Emergency Travel Expenses**” shall mean hotel expenses incurred which directly result from the cancellation of a scheduled transport, by train or air, by a commercial transportation carrier resulting directly from and within forty-eight (48) hours of a **Certified Act of Terrorism**, and the increased amount incurred in air or train fare which may result from rescheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a **Certified Act of Terrorism**.
2. Section VIII. is amended by the addition of the following:

Terrorism Travel Reimbursement Fund

In the event any current director, trustee, officer, regent, governor or member of the Board of Managers of the **Organization** or any **Subsidiary** advises the **Insurer** of **Emergency Travel Expenses** incurred during the **Policy Period**, the **Insurer** shall reimburse the **Emergency Travel Expenses**. This coverage extension shall be subject to the Terrorism Travel Reimbursement Fund Limit of Liability stated below, provided, however, no Retention shall apply.
3. Item 3. of the Declarations is amended by the addition of the following:

\$ 50,000 Aggregate Terrorism Travel Reimbursement Fund Limit of Liability for each **Policy Year**. This Limit of Liability shall be in addition to the Aggregate Limit of Liability provided for in Item 3. of the Declarations.
4. Provided the current director, trustee, officer, regent, governor or member of the Board of Managers of the **Organization** or any **Subsidiary** advises the **Insurer** of **Emergency Travel Expenses** incurred during the **Policy Period** and provides written evidence of such amounts, the **Insurer** shall promptly reimburse such individual within thirty (30) days. Such notice and written evidence shall be provided to the **Insurer** by e-mailing the **Insurer** at: eldclaims@gaig.com.

WORKPLACE VIOLENCE COUNSELING FUND

1. Section III. is amended by the addition of the following:

“**Workplace Violence Act**” shall mean any actual or alleged intentional and unlawful use of, or threat to use, deadly force with intent to cause harm to others occurring at any building, facility or property occupied by the **Organization** or any **Subsidiary** in the conduct of its operations.

GREAT AMERICAN NONPROFIT EAGLE ENDORSEMENT

2. Section VIII. is amended by the addition of the following:

Workplace Violence Counseling Fund

In the event that a **Workplace Violence Act** occurs during the **Policy Period** and the **Organization** advises the **Insurer** of such **Workplace Violence Act**, the **Insurer** shall, subject to prior written consent, reimburse the **Organization** reasonable expenses incurred for the emotional counseling of **Insured Persons**. This coverage extension is subject to the Workplace Violence Counseling Fund Limit of Liability set forth below, provided, however, no Retention shall apply.

3. Item 3. of the Declarations is amended by the addition of the following:

\$ 50,000 Aggregate Workplace Violence Counseling Fund Limit of Liability for each **Policy Year**. This Limit of Liability shall be in addition to the Aggregate Limit of Liability provided for in Item 3. of the Declarations.

4. The **Organization** shall advise the **Insurer** of such **Workplace Violence Act** during the **Policy Period** by e-mailing the **Insurer** at: eldclaims@gaig.com. The consent of the **Insurer** shall not be unreasonably withheld.

INCIDENT CRISIS FUND

1. Section III. is amended by the addition of the following:

“**Crisis**” shall mean the public announcement that an **Incident** occurred at any building, facility or property occupied by the **Organization** or any **Subsidiary** in the conduct of its operations.

“**Incident**” shall mean an accident or other event resulting in the death or **Serious Bodily Injury** to three or more persons.

“**Serious Bodily Injury**” shall mean an injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

2. Section VIII. is amended by the addition of the following:

Incident Crisis Fund

The **Insurer** shall, subject to prior written consent, reimburse the **Organization** reasonable expenses incurred to hire an image consulting company for the purpose of reducing damage to reputation suffered by the **Organization** or any **Subsidiary** arising from a **Crisis** during the **Policy Period**. This coverage extension is subject to the Incident Crisis Fund Limit of Liability set forth below, provided, however, no Retention shall apply.

GREAT AMERICAN NONPROFIT EAGLE ENDORSEMENT

3. Item 3. of the Declarations is amended by the addition of the following:
- \$ 50,000** Aggregate Incident Crisis Fund Limit of Liability for each **Policy Year**. This Limit of Liability shall be in addition to the Aggregate Limit of Liability provided for in Item 3. of the Declarations.
4. The **Organization** shall advise the **Insurer** of such **Crisis** during the **Policy Period** by e-mailing the **Insurer** at: eldclaims@gaig.com. The consent of the **Insurer** shall not be unreasonably withheld.

AMENDMENT TO PERSONAL PROFIT EXCLUSION
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Section IV.A. is deleted and replaced with the following:

- A. brought about or contributed to by:
- (1) any **Insureds** gaining any personal profit, financial advantage or remuneration to which they were not legally entitled; or
 - (2) the deliberately fraudulent or criminal acts of any **Insureds**;
- provided, however, this exclusion shall not apply unless and until there is a final non-appealable adjudication as to such conduct in the underlying proceeding. This exclusion shall not apply to coverage provided under Insuring Agreement I.B.;

AMENDMENT TO OTHER INSURANCE EXCLUSION
--

Section IV.B. is amended by the addition of the following:

If this Policy includes coverage for any **Claim** for **Employment Practices Wrongful Acts**, such coverage shall be deemed primary over any similar coverage maintained either by the **Organization** or any **Subsidiary**.

AMENDMENT TO INSURED vs. INSURED EXCLUSION
--

Section IV.H. is deleted and replaced with the following:

- H. by, or for the benefit of, or at the behest of the **Organization** or any **Subsidiary** or any entity which controls, is controlled by, or is under common control with the **Organization** or any **Subsidiary**, or any person or entity which succeeds to the interests of the **Organization** or any **Subsidiary**, provided, however, this exclusion shall not apply to any **Claim**, if such **Claim**:
- (1) is for an **Employment Practices Wrongful Act** brought by an **Insured Person**;

GREAT AMERICAN NONPROFIT EAGLE ENDORSEMENT

- (2) is brought by the receiver, conservator, creditors' committee, liquidator, trustee, rehabilitator, examiner or similar official of the **Organization**, if any, in the event of **Financial Insolvency**;
- (3) is brought or maintained derivatively, including any **Claim** brought or maintained under any federal, state, local or foreign whistleblower law or whistleblower provision of any law if the individual bringing such **Claim** is acting totally independent of, and without the solicitation, assistance, active participation or intervention of any director, officer, trustee, regent, governor or member of the Board of Managers of the **Organization** or any **Subsidiary**;
- (4) is brought by any former director, officer, trustee, regent, or governor of the **Organization** or any **Subsidiary** who has not served in that capacity with the **Organization** or any **Subsidiary** for at least two (2) years prior to the commencement of such **Claim**, and is acting totally independent of, and without the solicitation, assistance, active participation or intervention of any director, officer, trustee, regent, governor or member of the Board of Managers of the **Organization** or any **Subsidiary**.

COSTS OF DEFENSE SUBLIMIT FOR BREACH OF EMPLOYMENT AGREEMENT CLAIMS

It is understood and agreed that the Policy is amended as follows:

- 1. Section IV.I. is deleted and replaced with the following:
 - I. for any actual or alleged breach by the **Organization** or any **Subsidiary** of an express or implied contract, provided, however, this exclusion shall not apply to:
 - (1) employment-related obligations which would have attached absent such contract or agreement; or
 - (2) **Costs of Defense** if such **Claim** is for any actual or alleged breach of an employment agreement and such coverage for **Costs of Defense** shall be subject to the Sublimit stated below.
- 2. Item 3. of the Declarations is amended by the addition of the following:

\$ 100,000 Sublimit for **Costs of Defense** for **Claims** for Breach of an Employment Agreement. This Sublimit is part of and not in addition to the Limit of Liability set forth in Item 3. of the Declarations.

GREAT AMERICAN NONPROFIT EAGLE ENDORSEMENT

AMENDMENT TO COSTS OF DEFENSE AND SETTLEMENTS

Section VI.B. is deleted and replaced with the following:

- B. The **Insurer** has the right to investigate and settle any **Claim** as it deems expedient. If the **Insurer** recommends a settlement and the **Insured** refuses to consent thereto, the **Insurer's** liability for such **Claim** is limited to the amount in excess of the Retention, which the **Insurer** would have contributed had the **Insured** consented to the settlement, the **Costs of Defense** covered by the Policy and incurred prior to the date of such refusal to settle, and eighty percent (80 %) of any additional covered **Loss**, including **Costs of Defense**, incurred subsequent to such refusal and subject to the Limit of Liability.

If the **Insured** refuses to consent to a settlement as contemplated above, **Costs of Defense** shall be subject to the Retention.

100% COSTS OF DEFENSE ALLOCATION

Section VI. is amended by the addition of the following:

- C. If a **Claim** made against any **Insured** includes both covered and uncovered matters, the **Insureds** and the **Insurer** recognize that there must be an allocation between insured **Loss** and uninsured loss, therefore, the **Insureds** and the **Insurer** shall allocate such amount as follows:
1. with respect to **Costs of Defense**, one hundred percent (100%) of all **Costs of Defense** which must otherwise be allocated as described above shall be allocated to the insured **Loss**; and
 2. with respect to **Loss** other than **Costs of Defense**, the **Insurer** and the **Insureds** shall use their best efforts to agree upon a fair and proper allocation of such amounts between insured **Loss** and uninsured loss.

AMENDMENT TO SUBROGATION

Section IX.H. is deleted and replaced with the following:

- H. In the event of payment under this Policy, the **Insurer** shall be subrogated to all the **Insureds'** rights of recovery. The **Insureds** shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. In no event, however, shall the **Insurer** exercise its rights to subrogation against an **Insured Person** under this Policy unless the exclusion set forth in Section IV.A. of the Policy applies to such **Insured Person**.



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GREAT AMERICAN NONPROFIT EAGLE ENDORSEMENT

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Organization** or any **Subsidiary** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Organization** or any **Subsidiary** and shall be subrogated to rights of the **Insured Persons** hereunder.

INCONSISTENCY COVERAGE

Section IX. is amended by the addition of the following:

Inconsistency Coverage

In the event of an inconsistency between this endorsement, or a state amendatory endorsement, and any other endorsement attached to this Policy, the **Insurer**, as permitted by law, shall apply those terms and conditions which are more favorable to the **Insureds**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

WORKPLACE VIOLENCE

For purposes of coverage provided under this Endorsement only:

1. The **Insurer** shall pay all **Loss** the **Insured** sustains as a direct result of a **Workplace Violence Act**, occurring during the **Policy Period** and reported to the **Insurer** as soon as practicable.
2. **Workplace Violence Act** shall mean any actual or alleged intentional and unlawful use of, or threat to use, deadly force with intent to cause harm occurring at any building, facility or property occupied by the **Organization** or any **Subsidiary** in the conduct of its operations.
3. With respect to a **Workplace Violence Act**, **Loss** shall be limited to:
 - (a) **Business Interruption Expense;**
 - (b) **Public Image Restoration Expense;**
 - (c) **Security and Well Being Expense; and**
 - (d) **Workplace Violence Expense.**

Business Interruption Expense shall mean:

1. The sum of:
 - a. the excess of revenues over expenses, if any, that would have been earned; and
 - b. the reasonable costs and expenses which would not have been incurred except for any **Workplace Violence Act** and which were incurred by the **Organization** or any **Subsidiary**:
 - (i) to continue the activities which are necessary for the **Organization** or any **Subsidiary** to resume operations with substantially the same quality of service which existed immediately preceding the **Workplace Violence Act**; and
 - (ii) for the sole purpose of reducing any **Business Interruption Expense**, not to exceed the amount of actual reduction of such **Business Interruption Expense**;

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WORKPLACE VIOLENCE

2. Less the sum of:
 - a. all recoveries, other insurance, suretyship and other indemnity which cover **Business Interruption Expense**; and
 - b. the amount by which the **Organization** reasonably could have but fails to reduce **Business Interruption Expense**.

Business Interruption Expense is limited to the period of time commencing on the day of the **Workplace Violence Act** and ending on the earlier of ninety (90) days following such date, or until the **Organization** or any **Subsidiary** restores operations with due diligence and dispatch to the level that existed prior to the **Workplace Violence Act**.

Public Image Restoration Expense shall mean reasonable fees, costs and expenses for an independent public relations consultant for up to ninety (90) days following the date of the **Workplace Violence Act**.

Security and Well Being Expense shall mean reasonable fees, costs and expenses for:

1. an independent security consultant for up to ninety (90) days following the date of the **Workplace Violence Act**;
2. an independent security guard service for up to thirty (30) days following the date of the **Workplace Violence Act**;
3. a counseling seminar for **Insured Persons** conducted by an independent consultant within 90 days following the **Workplace Violence Act**; and
4. an independent forensic analyst for up to ninety (90) days following the date the **Workplace Violence Act** occurs.

Workplace Violence Expense shall mean the reasonable fees, costs and expenses for:

1. the **Salary or Wages**, for up to ninety (90) days following the date of the **Workplace Violence Act**, the **Organization** or any **Subsidiary** pays **Insured Persons** victimized by a **Workplace Violence Act** and unable to work because of such **Workplace Violence Act**. The **Salary or Wages** in effect at the time of the **Workplace Violence Act** shall apply;
2. the **Salary or Wages**, for up to ninety (90) days following the date of the **Workplace Violence Act**, the **Organization** or any **Subsidiary** pays a newly hired person(s) to conduct the duties of **Insured Persons** victimized by a **Workplace Violence Act** and who is/are unable to work because of such **Workplace Violence Act**; however, such **Salary or Wages** shall not exceed the **Salary or Wages** of the victimized **Insured Person** in effect at the time of the **Workplace Violence Act**;



WORKPLACE VIOLENCE

Salary or Wages shall mean compensation the **Organization** or any **Subsidiary** pays an **Insured Person** including but not limited to bonus, commission, incentive payments, and the cost of health, welfare and pension benefits.

4. This Policy does not apply to any **Workplace Violence Act**:
- A. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving war, invasion, insurrection, riot, rebellion, revolution, civil war, or military action;
 - B. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving the use or threat of force or violence occurring for the purpose of demanding money, securities or property.
5. **Related Wrongful Acts** shall mean **Wrongful Acts** or **Workplace Violence Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
6. The Declarations Page is amended by the addition of:
- Item 3. Limit of Liability
- \$ 100,000 **Workplace Violence Act** Limit of Liability for Each **Policy Year**.

This amended Limit of Liability shall be part of, and not in addition to, the Limit of Liability provided for in Item 3(a) of the Declarations.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.



CYBER RISK AND CYBER LIABILITY COVERAGE ENDORSEMENT

Solely for purposes of coverage provided by this endorsement, it is understood and agreed that the following changes are made to the Policy:

FIRST AND THIRD PARTY COVERAGES

Section I. is deleted and replaced with the following:

A. Data Compromise Coverage

If a **Data Compromise** is first discovered during the **Policy Period** and reported pursuant to Section VII., then:

- (1) for a **Data Breach**, the **Insurer** shall pay on behalf of the **Insured Organization** the reasonable and necessary:
 - (a) legal fees, costs, or expenses charged by an **Incident Response Expert** in coordinating the investigation and response efforts related to a **Data Breach** including but not limited to a determination regarding the extent that any law, regulation, statute or contract requires notification of the **Data Breach** to any government agency or the persons or entities affected by the **Data Breach**;
 - (b) forensic fees incurred to investigate the cause of the **Data Breach** and/or to identify persons or entities affected by the **Data Breach**;
 - (c) costs of notification of the **Data Breach** to any persons or entities affected by the **Data Breach** or any government agency or other third party, but only to the extent:
 - (i) the **Incident Response Expert** determines applicable law, regulation, statute or contract requires such notification; or
 - (ii) the **Incident Response Expert** determines applicable law, regulation, statute or contract does not require such notification but the **Insurer** provides its prior written consent for such costs of notification to be incurred voluntarily;

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CYBER RISK AND CYBER LIABILITY COVERAGE ENDORSEMENT

- (d) costs incurred to provide identity theft prevention (including but not limited to credit monitoring) and identity restoration services for persons affected by the **Data Breach**; and
 - (e) costs incurred to provide call center services in support of the **Insured Organization's** efforts to address inquiries from the persons or entities affected by the **Data Breach**; provided each of the above are incurred with the **Insurer's** consent, which shall not be unreasonably withheld.
- (2) for a **PCI Compliance Violation**, the **Insurer** shall pay on behalf of the **Insured Organization** the **Assessments** the **Insured Organization** becomes obligated under contract to pay and any related reasonable and necessary legal fees, costs and expenses charged by an **Incident Response Expert** in coordinating the investigation and response efforts related to the **PCI Compliance Violation**; provided such amounts are incurred with the **Insurer's** consent, which shall not be unreasonably withheld;
- (3) for a **Network Disruption**, the **Insurer** shall reimburse the **Insured Organization** for **Business Income Loss**;
- (4) for **Data Asset Damage**, the **Insurer** shall pay **Restoration Costs** incurred by or under the direction of an **Incident Response Expert**; provided such amounts are incurred with the **Insurer's** consent, which shall not be unreasonably withheld;
- (5) for a **Cyber Crime**, the **Insurer** shall:
- (a) pay on behalf of the **Insured Organization**:
 - (i) reasonable and necessary forensic fees incurred by or under the direction of an **Incident Response Expert** to investigate the cause of the **Cyber Crime** and/or to discover if any other **Data Compromise** may be present; and
 - (ii) money paid with the **Insurer's** prior written consent to a third party to terminate that party's **Ransom Demands**;

provided such amounts are incurred or paid with the **Insurer's** consent, which consent shall not be unreasonably withheld; and
 - (b) reimburse the **Insured Organization** for any **Fraud Loss** that is not otherwise reimbursed by a financial institution directly resulting from the **Cyber Crime**; and

CYBER RISK AND CYBER LIABILITY COVERAGE ENDORSEMENT

- (6) for **Reputational Harm**, the **Insurer** shall reimburse the **Insured Organization** for **Reputational Damage Loss**.

B. Liability Coverage (Including Regulatory Actions)

The **Insurer** shall pay on behalf of an **Insured** all **Loss** incurred as a result of any **Claim** for a **Multimedia Wrongful Act**, **Network Security Wrongful Act** or **Privacy Wrongful Act**, provided:

- (1) such **Claim** is first made against the **Insured** during the **Policy Period** or the **Discovery Period** and reported pursuant to Section VII.; and
- (2) the **Wrongful Act** occurs after the following **Retroactive Date**:
10/01/2023.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

C. Public Relations Coverage

Subject to the **Insurer's** prior written consent, the **Insurer** shall pay on behalf of the **Insured Organization** the costs of a public relations consultation:

- (1) in response to **Reputational Harm** related to a **Claim** or **Data Compromise**; or
- (2) necessary to inform potentially impacted individuals, vendors or suppliers of **Business Impersonation** first discovered and noticed to the **Insurer** during the **Policy Period**.

AMENDMENTS TO DEFINITIONS

1. Section III.A. is amended by the addition of the following:

Claim shall also mean a **Regulatory Action**.

2. Section III.C. is amended by the addition of the following:

Costs of Defense shall also include forensic fees incurred to investigate the cause of and/or to identify persons or entities affected by an intrusion of the **Computer System** which resulted in **Unauthorized Access** to, **Unauthorized Use** of, loss of control over, or disclosure of, **Protected Information** in the care, custody, or control of the **Insured** or an independent contractor of the **Insured** that is holding, processing or transferring such information on behalf of the **Insured**.

CYBER RISK AND CYBER LIABILITY COVERAGE ENDORSEMENT

3. Section III.I. is deleted and replaced by the following:

I. Loss shall mean:

(1) **Costs of Defense;**

(2) solely with respect to any **Claim** other than a **Regulatory Action**:

(a) monetary damages, settlements or judgments;

(b) pre-judgment or post-judgment interest; and

(c) punitive or exemplary damages, or the multiple portion of any multiplied damages award, but only to the extent such damages are insurable under the applicable law most favorable to the insurability of such damages; and

(3) solely with respect to a **Regulatory Action**:

(a) the amount paid to establish a consumer redress fund created as a result of a **Regulatory Action**; or

(b) any civil fines or penalties imposed as a result of such **Regulatory Action**;

provided, however, **Loss** shall not include: taxes; the return or repayment of fees, deposits, commissions or charges for goods or services; the costs incurred in the recall, re-performance or correction of services, **Content**, goods or activities; the costs of the **Insured's** compliance with or any **Loss** incurred as a result of an injunction or other equitable order or judgment, other than the amount paid to establish a consumer redress fund as a result of a **Regulatory Action**; or civil or criminal fines or penalties, other than civil fines or penalties imposed as a result of a **Regulatory Action**.

4. Section III. is amended by the addition of the following:

“**Assessments**” shall mean any of the following amounts assessed against the **Insured Organization** pursuant to a merchant service agreement as a result of a **PCI Compliance Violation**:

(1) Account Data Compromise (“ADC”) Fraud Recovery losses;

(2) ADC operational reimbursement costs for reissuing payment cards or monitoring compromised or potentially compromised accounts;

CYBER RISK AND CYBER LIABILITY COVERAGE ENDORSEMENT

- (3) Case management fees for the card association's costs to investigate the **PCI Compliance Violation**; or
- (4) Fines or penalties.

"Business Impersonation" shall mean fraudulent communications (including but not limited to websites, e-mails, or phone calls) from an entity or individual other than an **Insured** designed to impersonate the **Insured Organization** (including but not limited to its **Content**, products, services, or websites) and/or any **Insured** with the goal of deceiving any customer or supplier of the **Insured Organization** into sharing credentials and/or personally identifiable information with, or fraudulently inducing such parties to transfer their money or property to the sender of such fraudulent communication.

"Business Income Loss" shall mean:

- (1) **Restoration Costs** incurred with the **Insurer's** prior written consent;
- (2) net profit before income taxes that the **Insured Organization** is prevented from earning due to a **Network Disruption**;
- (3) normal operating expenses incurred by the **Insured Organization** (including payroll) if such operating expenses must continue during the **Restoration Period** and would have been incurred had there not been a **Network Disruption**; and
- (4) reasonable and necessary expenses incurred by the **Insured Organization** with the **Insurer's** prior consent to minimize, avoid or reduce a **Network Disruption**, if over and above the **Insured Organization's** normal operating and payroll expenses.

"Business Income Loss" shall be subject to the **Waiting Period Retention**, limited by the **Restoration Period**, and calculated on an hourly basis by the sum of (1) through (4) above, each sustained during the **Restoration Period**. In determining the amount of net profit or loss and expenses covered under Insuring Agreement A.(3), the **Insurer** will give due consideration to the net profit or loss of the **Insured Organization** before the **Network Disruption** and the **Insured Organization's** probable net profit or loss if no **Network Disruption** had occurred. However, net profit or loss calculations shall not include, and this Policy will not cover, any net income that would likely have been earned as a result of an increase in the volume of the **Insured Organization's** business due to favorable business conditions caused by the impact of any event similar to a **Network Disruption** suffered by other businesses.

"Business Income Loss" shall not include **Loss, Fraud Loss, Reputational Damage Loss**; contractual penalties; goodwill impairment; liability to a third party; break-up fees; any other consequential losses or damages not mentioned above; or any related legal costs or expenses.

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“**Computer Systems**” shall mean:

- (1) the **Covered Network**;
- (2) **Insured** owned devices when used in connection with the **Insured Organization’s** normal activities; and
- (3) **Third Party Networks**.

“**Content**” shall mean communicative material of any kind or nature whatsoever, including words, pictures, sounds, images and graphics, conveyed via any method or medium including print, broadcast, digital and electronic, for any purpose including news, entertainment, art, information, advertising and corporate communications, if created:

- (1) by or on behalf of the **Insured Organization** for its own use; or
- (2) by third parties and collected, maintained, moderated or disseminated by or on behalf of the **Insured Organization**, including via any chat room, blog, bulletin board, website or social media site moderated, owned or operated by or on behalf of the **Insured Organization**;

provided, however, **Content** shall not include advertising created by the **Insured** for others, product design, labelling or packaging, architectural or industrial design, or the goods, products or services described or displayed in communicative materials.

“**Covered Network**” shall mean all leased or **Insured Organization** owned:

- (1) computer hardware (including but not limited to desktops, laptops, mobile devices, printers, copiers, and servers); and
- (2) networking equipment (including but not limited to routers, switches, gateways, and hubs).

operated by the **Insured Organization** solely in connection with the **Insured Organization’s** normal operations.

“**Cyber Crime**” shall mean the following, if committed by a person or entity other than an **Insured** and without the involvement of an **Insured**:

- (1) the transmission of fraudulent instructions electronically to a financial institution which direct that financial institution to initiate an electronic funds transfer from the **Insured Organization** or otherwise debit the **Insured Organization’s** accounts;

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- (2) the **Unauthorized Access**, through electronic means, of the credentials (including but not limited to passwords, PINs, or security codes) related to the **Insured Organization's** financial accounts or the accounts of third parties which are under the **Insured Organization's** control;
- (3) **Telecommunications Hacking**; and
- (4) **Ransom Demands**.

“**Data Asset**” shall mean software and electronic data (including but not limited to databases, audio/video files, websites, intranets, and extranets) maintained by or on behalf of the **Insured Organization** in connection with the **Insured Organization's** normal activities or operations.

“**Data Asset Damage**” shall mean loss of control over, damage to, or destruction of a **Data Asset**.

“**Data Breach**” shall mean **Unauthorized Access** to, **Unauthorized Use** of, loss of control over (including but not limited to the loss of any laptop, smartphone or other portable device that contains **Protected Information**), or disclosure of, **Protected Information** stored (or captured solely for purposes of processing electronic payments) by or on behalf of the **Insured Organization** in connection with the **Insured Organization's** normal activities or operations.

“**Data Compromise**” shall mean a **Data Breach**, **Ransom Demands**, **Data Asset Damage**, **Cyber Crime**, **PCI Compliance Violation** or **Network Disruption** sustained by the **Insured Organization**.

“**Executive**” shall mean the **Insured Organization's** Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Information Security Officer, General Counsel or Insurance Risk Manager, or their respective functional equivalents.

“**Fraud Loss**” shall mean:

- (1) loss of **Money** and/or **Securities**; or
- (2) solely with respect to **Telecommunications Hacking**, the charges for unauthorized calls; incurred by the **Insured Organization**; provided, however, **Fraud Loss** shall not mean any indirect or consequential damages; or any loss to the **Insured Organization** resulting from the transfer of any property of the **Insured Organization** (including but not limited to money or other financial assets) by an authorized person by reason of that person having been deceived by a third party, regardless of whether or not such deception involves electronic means and/or manipulation.

“**Incident Response Expert**” shall mean the firm retained by the **Insured** or the **Insurer** pursuant to Section VII.F. in connection with a **Data Compromise**.

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“**Insured Organization**” shall mean the **Organization** and any **Subsidiary**.

“**Malicious Code**” shall mean any virus, worm, trojan horse, backdoor or similar malicious software program.

“**Money**” shall mean:

- (1) currency, including virtual currency (bitcoins), coins and bank notes in current use and having a face value; or
- (2) travelers checks, register checks and money orders held for sale to the public.

“**Multimedia Activity**” shall mean:

- (1) the dissemination of **Content** by the **Insured**, by any form, method or medium of communication;
- (2) the creation or gathering of **Content** by the **Insured**; or
- (3) the dissemination of **Content** by any party with whom the **Insured** has entered into a written, oral or implied-in-fact indemnification or hold harmless agreement regarding such **Content**.

“**Multimedia Wrongful Act**” shall mean any actual or alleged:

- (1) libel, slander, trade libel, product disparagement or any other defamation or harm to the character or reputation of any person or entity;
- (2) invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light or misappropriation of name or likeness;
- (3) outrage or infliction of emotional distress;
- (4) dilution or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name;
- (5) copyright infringement, plagiarism, or misappropriation of information, ideas or other similar property rights; or
- (6) piracy or unfair competition, but only if arising out of (1) through (5) above; resulting from any **Multimedia Activity**.

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“**Network Disruption**” shall mean:

- (1) **Security Event Related Outage**; or
- (2) **Vendor Error Related Outage**;

provided, however, **Network Disruption** shall not mean an outage related to a **Third Party Network**.

“**Network Security Wrongful Act**” shall mean an actual or alleged negligent act, error or omission by or on behalf of the **Insured** in the performance of the **Insured Organization’s** normal activities or operations that causes or fails to prevent:

- (1) **Unauthorized Access** to or **Unauthorized Use** of the **Covered Network**;
- (2) the transmission of any **Malicious Code** from the **Covered Network** to a third party’s computer systems;
- (3) **Business Impersonation**; and/or
- (4) a **Network Disruption**.

“**PCI Compliance Violation**” shall mean alleged or actual violation of the applicable Payment Card Industry Data Security Standards (PCI-DSS) in effect when such violation is first discovered.

“**Privacy Wrongful Act**” shall mean any actual or alleged:

- (1) negligent act, error or omission by or on behalf of the **Insured** in the performance of the **Insured Organization’s** normal activities that actually or allegedly causes or fails to prevent **Unauthorized Access** to, **Unauthorized Use** of, loss of control over (including but not limited to the loss of any laptop, smartphone or other portable device that contains **Protected Information**), or disclosure of, **Protected Information** in the care, custody, or control of the **Insured** or an independent contractor of the **Insured** that is holding, processing or transferring such information on behalf of the **Insured**;
- (2) violation of any federal, state, local or foreign law or regulation regarding the maintenance, protection, use or disclosure of **Protected Information**; or
- (3) violation of any publicly stated policy of the **Insured Organization** relating to **Protected Information**.

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“**Protected Information**” shall mean:

- (1) any non-public personally identifiable information (including but not limited to personal health information), whether in electronic form or otherwise, which is protected from **Unauthorized Access, Unauthorized Use**, or disclosure by any federal, state, local or foreign law or regulation or by any publicly stated policy of the **Insured Organization**; and
- (2) any confidential, non-public business information of a third party that is the subject of a confidentiality agreement between the **Insured Organization** and such third party.

“**Ransom Demands**” shall mean a threat or series of threats by someone other than an **Insured** to cause or prolong a **Data Compromise**.

“**Regulatory Action**” shall mean a written request for information, civil investigation or administrative proceeding or civil proceeding brought by any local, state, federal or regulatory agency for any **Privacy Wrongful Act** in connection with a **Data Breach**. However, **Regulatory Action** shall not include any written request, investigation, or proceeding of any kind brought by or on behalf of the Securities and Exchange Commission or its functional equivalent in any foreign jurisdiction.

“**Reputational Damage Loss**” shall mean the net profit or loss before income taxes the **Insured Organization** is prevented from earning due to **Reputational Harm** and resulting in a measurable reduction of the **Insured Organization’s** revenues. In determining the amount of net profit or loss, the **Insurer** will give due consideration to the net profit or loss earned by the **Insured Organization** before the **Reputational Harm** and the **Insured Organization’s** probable net profit or loss if no **Reputational Harm** had occurred. The calculation of **Reputational Damage Loss** shall be limited by the earlier of:

- (1) the date the **Insured Organization’s** gross revenues are restored to the level they had been prior **Reputational Harm**; or
- (2) ninety (90) days from the date of the earliest **Reputational Harm**.

Reputational Damage Loss shall not include **Loss; Fraud Loss; Business Income Loss;** goodwill impairment; contractual penalties; liability to a third party; break-up fees; any other consequential losses or damages not mentioned above; or any related legal costs or expenses.

“**Reputational Harm**” shall mean adverse media reporting related to a **Data Compromise** or **Claim** covered under Insuring Agreements A. or B. **Reputational Harm** shall not mean the media’s ordinary dissemination of substitute notice of a **Data Breach**.

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“**Restoration Costs**” shall mean reasonable and necessary:

- (1) legal, security, or forensic fees, costs, and expenses to determine the scope and cause of **Data Asset Damage**; or
- (2) costs incurred to restore control over **Data Assets** or to replace, restore or recollect **Data Assets** from written records or partially or fully matching **Data Assets** due to their corruption or destruction from **Data Asset Damage**.

“**Restoration Costs**” shall not include any consequential losses or damages resulting from **Data Asset Damage**.

“**Restoration Period**” shall mean the period of time which begins with the first instance of a **Network Disruption** and ends with the earlier of:

- (1) the point in time when the **Covered Network** returns to, or could have been restored with reasonable efforts to, substantially the level of operation that existed prior to such **Network Disruption**; or
- (2) exactly thirty (30) days from the first instance of the **Network Disruption** provided, however, **Restoration Period** shall not include the **Waiting Period Retention**.

“**Securities**” shall mean negotiable and nonnegotiable instruments or contracts representing **Money** and includes:

- (1) tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (2) evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured Organization**;

provided, however, **Securities** shall not mean **Money**.

“**Security Event Related Outage**” shall mean actual and measurable interruption, failure, degradation or delay in the performance of the **Covered Network** due to:

- (1) **Data Asset Damage** resulting from **Malicious Code** introduced into the **Covered Network** by **Unauthorized Access** or **Unauthorized Use**;
- (2) a denial of service attack upon the **Covered Network**; and/or

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- (3) the **Insured Organization's** suspension of its normal activities or operations conducted via the **Covered Network** for the purpose of avoiding or mitigating a **Data Compromise** or the possibility of transmitting **Malicious Code** to a third party.

"Telecommunications Hacking" shall mean infiltration and manipulation of the telephone or fax system used by the **Insured Organization** in connection with its normal activities or operations.

"Third Party Network" shall mean all the computer hardware, software, and networking equipment owned, leased, or operated by an entity or individual other than an **Insured**, and, who is operating under contract with the **Insured Organization** or other entity to provide business process outsourcing services (including but not limited to call center services, database administration, and fulfillment services) and/or information technology services (including but not limited to hosting, co-location, software-as-a-service, infrastructure-as-a-service, and data storage) in support of the **Insured Organization's** normal activities or operations.

"Unauthorized Access" shall mean access, whether physical or electronic, by a person or entity without permission.

"Unauthorized Use" shall mean:

- (1) any manner of use by an unauthorized person or entity; and
- (2) use in an unauthorized manner by an authorized person or entity.

"Vendor Error Related Outage" shall mean an accidental, unintentional, or negligent, act, error or omission by an entity or individual other than an **Insured** who is operating under contract with the **Insured Organization** to provide programming services (including but not limited to configuration, customization, data entry, development, deployment, modification, or maintenance) in support of the **Covered Network**, which directly results in an actual and measurable interruption, failure, degradation or delay in the performance of the **Covered Network**. **Vendor Error Related Outage** shall not mean the architecture, configuration, or design of any element of the **Covered Network** that has not proven stable in a live environment for more than thirty (30) days.

"Waiting Period Retention" shall mean the Waiting Period stated in Item 4. of the Declarations.

5. Section III.L. is deleted and replaced with the following:

L. **"Personal Injury Wrongful Act"** shall mean any actual or alleged wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution and, only if unrelated to a **Multimedia Activity**, libel or slander.

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6. Section III.R. is amended by the addition of the following:

Wrongful Act shall also mean any **Multimedia Wrongful Act, Data Security Wrongful Act or Privacy Wrongful Act.**

AMENDMENTS TO EXCLUSIONS

1. Sections IV.A.-D. are deleted and replaced with the following:

A. any actual or alleged:

- (1) dishonest, fraudulent or intentional act(s) of any **Insured**; or
- (2) gain of any profit, remuneration or advantage to which such **Insured** is not legally entitled;
provided, however:
 - (i) solely with respect to A.(1) above, such act(s) by a **Claimant** as defined by Section III.B.(1) shall not be imputed to any other **Insureds**; and
 - (ii) (1) and (2) above shall not apply to **Costs of Defense** unless and until there is either an admission by an **Insured** as to such conduct or there is a final adjudication or adverse finding of fact against an **Insured** as to such conduct, at which time, the **Insurer** shall be entitled to reimbursement of any **Costs of Defense**;

B. to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise; provided, however, that coverage for all **Data Breaches** and **Claims for Multimedia Wrongful Acts, Network Security Wrongful Acts or Privacy Wrongful Acts** shall be specifically excess of any similar coverage provided pursuant to terms and conditions of any general liability policy, business owner policy or cyber liability policy issued to the **Insured Organization** or any **Subsidiary**.

C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

- (1) any **Wrongful Act, Related Wrongful Act, Data Compromise** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given by or on behalf of any **Insured** under any other insurance policy; or

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- (2) any civil, criminal, administrative, regulatory or investigative proceeding of which any **Insured** had received notice before the date stated in Item 8. of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;
- D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property; or (3) humiliation, mental anguish, or emotional distress; provided, however, part (3) of this exclusion shall not apply to any **Claim** for a **Privacy Wrongful Act**;
- 2. Section IV.G. is amended by deleting the phrase: "provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement I.A."
- 3. Section IV.I. is deleted and replaced with the following:
 - I. for any actual or alleged breach by the **Insured Organization** or any **Subsidiary** of an express or implied contract; provided, however, this exclusion shall not apply to:
 - (1) any employment related obligations which would have attached absent such contract or agreement;
 - (2) a **Network Security Wrongful Act** or **Privacy Wrongful Act** when the actual or alleged breach of contract or agreement is to secure or maintain **Protected Information**;
 - (3) any **Assessment** the **Insured Organization** incurs as a result of a **PCI Compliance Violation**; or
 - (4) a **Multimedia Wrongful Act**, if the breach of a written, oral or implied-in-fact indemnification or hold harmless agreement between the **Insured** and any party disseminating **Content** by or on behalf of the **Insured** arises out of the dissemination of such **Content**;
- 4. The **Insurer** shall not pay **Loss** or make any other payment if such **Loss** or payment is:
 - A. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - (1) a **Data Compromise** first discovered prior to the earlier of the:
 - (a) the inception date stated in Item 2. of the Declarations; or

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- (b) the inception date of the first insurance endorsement issued to the **Insured Organization** of which this **Data Compromise** coverage, in whole or in part, is a direct or indirect renewal or replacement;
- (2) any **Wrongful Act(s)** of which any **Executive** had knowledge prior to the earlier of the:
 - (a) the inception date stated in Item 2. of the Declarations; or
 - (b) the inception date of the first insurance endorsement issued to the **Insured Organization** of which this **Multimedia Wrongful Act, Network Security Wrongful Act** or **Privacy Wrongful Act** coverage, in whole or in part, is a direct or indirect renewal or replacement;
- (3) any actual or alleged violation of the Telephone Consumer Protection Act, or any other similar state, local, foreign (including but not limited to CAN-SPAM) or federal statutes or regulations relating to unsolicited facsimile transmissions, email transmissions, text message transmissions and/or telephone communications to any person or entity;
- (4) any actual or alleged price fixing, restraint of trade, or monopolization;
- (5) any actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products, or services;
- (6) any actual or alleged loss of or drop in the value of any financial instruments or contracts representing money or other property;
- (7) any actual or alleged harassment or discrimination of any kind;
- (8) any **Content** deemed pornographic by the **Insurer**;
- (9) any chargebacks of payment card transactions made or processed by the **Insured Organization**, provided, however, this exclusion shall not apply to **Assessments** in connection with **PCI Compliance Violations**;
- (10) any investigation or proceeding by a federal, state, foreign or local regulatory agency or other governmental body concerning a potential violation of any federal, state, foreign or local law or regulation; provided, however, this exclusion shall not apply to a **Regulatory Action**;

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- (11) any fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail or act of God or any other physical event, however caused; provided, however, this exclusion shall not apply to a **Claim** for a **Privacy Wrongful Act** or a **Network Security Wrongful Act**;
- (12) (a) the mechanical failure of a **Computer System** as a result of routine wear and tear; or
(b) the interruption or disruption of any infrastructure service or utility supplied by a third party (including but not limited to power, water, gas, communications or connectivity);
provided, however, this exclusion shall not apply to a **Claim** for a **Privacy Wrongful Act** or a **Network Security Wrongful Act**;
- (13) any lawful or unlawful seizure, confiscation, nationalization or other expropriation undertaken by a governmental authority, whether foreign or domestic, provided, however, this exclusion shall not apply to a **Claim** for a **Privacy Wrongful Act** or a **Network Security Wrongful Act**;
- (14) any actual or alleged misappropriation, infringement or theft, or inducement of any misappropriation, infringement or theft, of any patent or trade secret belonging to an individual or entity other than an **Insured**; provided, however, this exclusion shall not apply to a **Claim** for a **Privacy Wrongful Act**; or
- (15) any awards, coupons, gambling, or prizes; provided, however, this exclusion shall not apply to a **Claim** for a **Privacy Wrongful Act**.

B. based upon or arising out of any **Claim** brought by or on behalf of:

- (1) any other **Insured**, or any other natural person or entity for whom or which an **Insured** is legally liable; provided this exclusion shall not apply to an otherwise covered **Claim** by an **Insured** alleging a **Network Security Wrongful Act** or **Privacy Wrongful Act**;
- (2) any entity which is a parent, affiliate, joint venture, co-venturer, or partner of any **Insured**; or
- (3) any entity directly or indirectly controlled, operated or managed by an **Insured**;

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- C. any of the following:
- (1) any amounts incurred by any **Insured** prior to the date a **Claim** or **Data Compromise** is reported to the **Insurer**;
 - (2) any of the **Insured Organization's** overhead expenses (including but not limited to compensation or benefits); provided, however, this exclusion C.(2) shall not apply to **Business Income Loss** otherwise covered pursuant to Insuring Agreement A.(3);
 - (3) any expenses to improve, restore, replace or update the **Computer System** and/or **Data Asset(s)** to a level beyond that which existed prior to any **Data Compromise** or **Wrongful Act**, or to identify, correct or remediate any software errors, vulnerabilities, or deficiencies;
 - (4) any expense incurred to research and develop **Data Assets**;
 - (5) the economic or market value of a **Data Asset**, including trade secrets; or
 - (6) any **Business Income Loss** arising in whole or in part from any **Vendor Error Related Outage** first discovered:
 - (a) prior to the **Policy Period**; or
 - (b) within ninety (90) days of the Policy's inception date.

AMENDMENTS TO LIMITS OF LIABILITY AND RETENTIONS
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1. Item 3(b) of the Declarations is deleted and replaced with the following:
 (b) \$ 100,000 Sublimit of Liability for all **Data Compromises** and **Claims** for **Multimedia Wrongful Acts, Network Security Wrongful Acts** or **Privacy Wrongful Acts**, which is part of and not in addition to the Limit of Liability provided in 3(a).

2. Item 4. of the Declarations is deleted and replaced with the following:
Item 4. Retentions
 Insuring Agreement A.: \$ 1,000 **Data Compromise** other than **Network Disruption or Reputational Harm**
24 hour Period each **Network Disruption or Reputational Harm**
 Insuring Agreement B: \$ 1,000 Each Claim

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3. Section V.C. is deleted and replaced with the following:

- C. Costs of Defense** incurred by the **Insurer** or **Insured** in any **Claim** for a **Multimedia Wrongful Act, Network Security Wrongful Act** or **Privacy Wrongful Act**, including a **Regulatory Action**, shall be subject to the Retention and Sublimit set forth in Item 3(b) of the Declarations.

REPORTING AND HANDLING OBLIGATIONS FOR DATA COMPROMISES

1. Section VII. is amended by the addition of the following:

E. Reporting Data Compromises

- (1) As a condition precedent to coverage, the **Insured** shall:
- (a) notify the **Insurer** at the following Hotline Number of any **Data Compromise** as soon as practicable but in no event more than five (5) business days after such **Data Compromise** is first discovered: Hotline Number - 855-538-4244 ;
 - (b) to take any measures with respect to such **Data Compromise**, except for measures directed or authorized by the **Incident Response Expert** or that are minimally and reasonably necessary to stop such **Data Compromise** or avoid further loss or harm from such **Data Compromise**;
 - (c) give the **Insurer**, upon request, a detailed proof of the damage caused by any **Data Compromise**. With respect to a **Network Disruption, Reputational Harm, and Cyber Crime**, the **Insured** must furnish the **Insurer** with written proof of the **Insured Organization's** claimed **Business Income Loss, Reputational Damage Loss, or Fraud Loss** duly sworn to, with full particulars, within six (6) months after such **Data Compromise** is first discovered;
 - (d) submit, upon request, to examination under oath at the request of the **Insurer** and give the **Insurer** a signed statement of the **Insured's** answers; and
 - (e) cooperate with the **Insurer** in the investigation and resolution of any matter submitted under this coverage and provide the **Insurer** with access to all relevant sources of information, including the Insured Organization's financial records, tax returns, accounting procedures, bills, invoices, vouchers, deeds, liens and contracts.

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- (2) A **Data Compromise** will be deemed first discovered on the earlier of the date an **Executive**:
- (a) first becomes aware of facts that would cause a reasonable person to assume a **Data Compromise** has occurred or might have occurred, even though the exact details of the **Data Compromise** may not then be known; or
 - (b) first receives a **Claim** involving facts or a specific **Wrongful Act** that, if true, would indicate a **Data Compromise**.

F. Handling Data Compromises

- (1) Unless the **Insured** makes an election pursuant to (2) below the **Insurer** shall have the right to select the **Incident Response Expert** and any other experts (including but not limited to forensic examiners) or providers (including mail houses and call centers) to conduct the **Data Compromise** investigation and response.
- (2) The **Insured** shall have the right to select the **Incident Response Expert** and other experts (including but not limited to forensic examiners) or providers (including mail houses and call centers) to conduct the **Data Compromise** investigation and response, provided:
- (a) the **Insureds** satisfy their reporting obligations pursuant to E.(1) above;
 - (b) the **Insured** shall not incur any fees connection with any **Data Compromise** without the express prior written consent of the **Insurer**, which shall not be unreasonably withheld;
 - (c) the **Insured** shall only select vendors with the express prior written consent of the **Insurer**, which shall not be unreasonably withheld;
 - (d) the **Insured** provides the **Insurer** with a written incident response plan that was created and tested prior to the discovery of the **Data Compromise**; and
 - (e) the **Insurer** shall at all times have the right, but not the duty, to associate with the **Insureds** in the investigation, defense, response, or settlement of any **Data Compromise** to which coverage under this coverage may apply.



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- (3) In the event the **Insured** selects the **Incident Response Expert** or other providers or experts pursuant to (2) above, the **Insurer** shall advance payment of such **Incident Response Expert's**, provider's or expert's fees within ninety (90) days after receipt of written evidence such fees have been incurred. Any advancement shall be based on the following conditions:
- (a) the appropriate Retention has been satisfied; and
 - (b) the **Insureds** and the **Insurer** have agreed such related services are both reasonable and necessary elements of the management and response related to the **Data Compromise**.
2. Section VII. B. is amended by the insertion of the phrase "or any **Data Compromise**" immediately after the phrase "**Wrongful Act**", wherever it may appear.

OTHER AMENDMENTS AND CONDITIONS

Section VIII.D. is deleted.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.



TERRORISM COVERAGE ENDORSEMENT
CAP ON LOSS FROM CERTIFIED ACTS

Subject to all terms and conditions of this Policy, including any follow-form provisions, this Policy is amended by the addition of the following:

CERTIFIED ACTS OF TERRORISM COVERAGE

"Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of Homeland Security and the Attorney General of the United States, to be an act pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "Certified Act of Terrorism" include the following:

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

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

It is understood and agreed that the Premium section of the Declarations is amended by the addition of the following:

Terrorism Premium: \$ 0.00

The Policyholder Disclosure Offer of Terrorism Coverage is attached to and is to be considered as incorporated in and constituting a part of this Policy.

This coverage shall not apply to any commercial crime or errors & omissions coverages that may be included in this policy.

This endorsement does not extend any additional coverage or otherwise change the terms and conditions of any coverage under this Policy.

Insured: COMMUNITY LIBRARY NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by:

[Signature]

Authorized Representative

Endorsement Effective Date: 10/1/2023



ECONOMIC AND TRADE SANCTIONS CLAUSE

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

Insured: COMMUNITY LIBRARY-NETWORK

Policy Period: 10/1/2023 to Policy Expiration

Policy Number: E912516

Countersigned by: _____

A handwritten signature in black ink, appearing to be "J. G. [unclear]", is written over a horizontal line.

Authorized Representative

Endorsement Effective Date: 10/1/2023



POLICYHOLDER DISCLOSURE OFFER OF TERRORISM COVERAGE

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 80% beginning on January 1, 2020, of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

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

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism. The policy's other provisions will still apply to such an act.

This coverage shall not apply to any commercial crime coverage that may be included in this policy.

Terrorism coverage for acts of terrorism that are certified under the federal program as an act of terrorism is included for no additional premium. Nonetheless, if you would like to reject such Terrorism coverage, please provide Great American written confirmation of such, and an exclusion will be attached to your policy.

This coverage shall not apply to any commercial crime or errors & omissions coverages that may be included in this policy.

Experienced team. Exceptional service. Expert protection.



Terminating an employee?

Prior to any employee termination, call the
hotline service number:

888-544-8320

Your insurance policy includes confidential telephone consultation on basic workplace employment topics via this toll-free number. Calls are handled by national law firm Jackson Lewis.

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Nonprofit Solution



Nonprofit Solution

Great American Insurance Group – Executive Liability Division
Headquarters: 301 E. Fourth Street, Cincinnati, Ohio 45202

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GREAT AMERICAN INSURANCE GROUP®

Headquarters: 301 E. Fourth Street, Cincinnati, Ohio 45202

THIS IS A CLAIMS MADE AND REPORTED POLICY. READ IT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the Proposal Form and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

Section I. Insuring Agreements

- A.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Insured Persons**, **Loss** and **Costs of Defense** resulting from such **Claim**, except for any **Loss** and **Costs of Defense** which the **Organization** or any **Subsidiary** actually pays as indemnification.
- B.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary**, **Loss** and **Costs of Defense** resulting from such **Claim**, but only to the extent the **Organization** or any **Subsidiary** is required or permitted by law to indemnify the **Insured Persons**.
- C.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against the **Organization** or any **Subsidiary** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary**, **Loss** and **Costs of Defense** resulting from such **Claim**.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

Section II. Discovery Period

- A.** If this Policy is not renewed or is cancelled by the **Insurer**, for any reason other than non-payment of premium, then without any additional premium being required, the **Organization** shall receive an automatic ninety (90) day extension of the coverage granted by this Policy for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Automatic Discovery Period**. In addition, if prior to the end of the **Automatic Discovery Period**, the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive an extension of the coverage granted by this Policy for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Discovery Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.
- B.** If this Policy is not renewed or is cancelled by the **Organization**, and if no later than sixty (60) days after the end of the **Policy Period** the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive a **Discovery Period** for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Policy Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.

- C. The fact that this Policy may be extended by virtue of the **Automatic Discovery Period** or **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Automatic Discovery Period** and the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

Section III. Definitions

A. **"Claim"** shall mean:

- (1) a written demand for monetary or non-monetary (including injunctive) relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document,
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document;
- (5) any arbitration, mediation or similar alternative dispute resolution proceeding if any **Insured** is obligated to participate in such proceeding; or
- (6) a written request to enter into an agreement to toll any applicable statute of limitation prior to the commencement of any judicial, administrative, regulatory or arbitration proceeding.

In no event shall the term **Claim** include any labor or grievance proceeding which is subject to a collective bargaining agreement.

B. **"Claimant"** shall mean:

- (1) any past, present, and future **Insured Persons** or applicants for employment with the **Organization** or any **Subsidiary**;
- (2) a government entity or agency, including but not limited to the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, when acting on behalf of or for the benefit of any individual in (1) above; or
- (3) all persons who were, now are, or shall be independent contractors, but only to the extent such individuals perform work or services for or on behalf of the **Organization** or any **Subsidiary** and only to the extent such individuals are indemnified by the **Organization** or any **Subsidiary**.

- C. **"Costs of Defense"** shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation or defense of any **Claim**, including the costs of any appeal or appeal bond, attachment bond or similar bond (but without any obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defense** shall not include: (1) salaries, wages, overhead or benefit expenses associated with any **Insured Persons**, and (2) any amounts incurred in defense of any **Claim** which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

- D. **"Employed Lawyer Legal Services"** shall mean legal services provided by any **Insured Person** as an attorney, but only if such services are performed for the **Organization** or any **Subsidiary** and in the **Insured Person's** capacity with the **Organization** or any **Subsidiary**. **Employed Lawyer Legal Services** shall not include legal services rendered by any **Insured Person** for any third party.
- E. **"Employment Practices Wrongful Act"** shall mean any of the following acts related to employment, but only if alleged by or on behalf of a **Claimant**:
- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive;
 - (2) misrepresentation;
 - (3) violation of employment laws;
 - (4) sexual or workplace harassment;
 - (5) discrimination;
 - (6) wrongful failure to employ or promote;
 - (7) wrongful discipline;
 - (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
 - (9) failure to grant tenure;
 - (10) negligent employee evaluation;
 - (11) retaliation;
 - (12) failure to provide adequate workplace or employment policies or procedures;
 - (13) defamation (including libel and slander);
 - (14) invasion of privacy;
 - (15) wrongful demotion;
 - (16) negligent reassignment;
 - (17) violation of any federal, state or local civil rights laws;
 - (18) negligent hiring;
 - (19) negligent supervision;
 - (20) negligent training;
 - (21) negligent retention; or
 - (22) acts described in (1) through (21) above arising from the use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems.
- F. **"Financial Insolvency"** shall mean the **Organization** becoming a Debtor in Possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Organization**.
- G. **"Insured"** shall mean:
- (1) the **Organization**;
 - (2) any **Subsidiary**;
 - (3) in the event of **Financial Insolvency**, the resulting Debtor in Possession (or foreign equivalent status), if any; and
 - (4) all **Insured Persons**.
- H. **"Insured Persons"** shall mean all persons who were, now are, or shall be directors, trustees, officers, regents, governors, members of the Board of Managers, employees, leased employees, temporary or seasonal employees, interns, student teachers, substitute teachers, teaching assistants, volunteers or staff members of the **Organization** or any **Subsidiary**, including any executive board members and committee members whether salaried or not.

I. **"Loss"** shall mean settlements, judgments, pre-judgment and post-judgment interest, front and back pay, compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, and subject to the provisions of Section V and VI, **Costs of Defense** incurred by the **Insured**. **Loss** shall not include:

- (1) criminal or civil fines or penalties imposed by law, or taxes (except for the 10% "excess benefit" tax assessed by the Internal Revenue Service against any **Insured Person** pursuant to 26 USC Section 4958 (a)(2));
- (2) the value of tuition or scholarships, employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation earned in the course of employment or the equivalent value thereof; and
- (3) any amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for compensatory, punitive, or exemplary damages or the multiple portion of any multiplied damage award.

J. **"Organization"** shall mean the entity named in Item 1 of the Declarations.

K. **"Outside Entity"** shall mean any not-for-profit corporation, community chest, fund or foundation that is not included in the definition of **Organization** or **Subsidiary** and that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and any other entity organized for a religious or charitable purpose under any non-profit organization act or statute.

L. **"Personal Injury Wrongful Act"** shall mean any actual or alleged invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel or slander.

M. **"Policy Year"** shall mean the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. Any **Discovery Period** or **Automatic Discovery Period** shall be considered part of and not in addition to the last **Policy Year**.

N. **"Policy Period"** shall mean the period from the inception of this Policy to the expiration date stated in Item 2 of the Declarations or its earlier termination, if applicable.

O. **"Related Wrongful Acts"** shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

P. **"Subsidiary"** shall mean:

- (1) any entity which qualifies as a not-for-profit organization under the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the **Organization** has or controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy;
- (2) any similar entity which was created or acquired by the **Organization** after the inception date of this Policy, if the entity's total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the **Organization** as of the inception date of this Policy; or

(3) any other entity added as a **Subsidiary** by written endorsement to this Policy.

Coverage shall apply to a **Subsidiary** only for **Wrongful Acts** allegedly committed during the time such entity qualified as a **Subsidiary**.

Q. "Third Party Wrongful Act" shall mean:

- (1) actual or alleged discrimination against a third party based upon such third party's race, color, religion, creed, age, sex, national origin, disability, pregnancy, HIV status, marital status, sexual orientation or preference, military status or other status protected pursuant to any applicable federal, state, or local statutory law; or
- (2) actual or alleged sexual harassment, including unwelcome sexual advances against, or requests for sexual favors of, a third party; or
- (3) actual or alleged civil rights violations against a third party related to (1) or (2) above.

R. "Wrongful Act" shall mean:

- (1) any of the following by the **Organization**, and/or any **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**:
 - (a) actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty;
 - (b) actual or alleged error or omission in the rendering of or the failure to render **Employed Lawyer Legal Services**;
 - (c) **Employment Practices Wrongful Act**;
 - (d) **Personal Injury Wrongful Act**; or
 - (e) **Third Party Wrongful Act**;
- (2) any matter claimed against any **Insured Person** solely by reason of their status with the **Organization** or any **Subsidiary**; or
- (3) any matter claimed against any **Insured Person** arising out of their service as directors, trustees, officers, regents, governors, or member of the Board of Managers of an **Outside Entity**, but only if such service is at the request of the **Organization** or any **Subsidiary**.

Section IV. Exclusions

This Policy does not apply to any **Claim** made against any **Insured**:

- A.** brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which they were not legally entitled; or (2) the deliberate fraudulent or criminal acts of any **Insured**; however, this exclusion shall not apply unless it is finally adjudicated such conduct in fact occurred, nor shall it apply to coverage provided under Insuring Agreement I.B.;
- B.** to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise. It is further understood and agreed that coverage for all **Claims** for **Personal Injury Wrongful Acts** shall be specifically excess of any similar coverage provided by the **Organization's** General Liability Policy.

- C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
- (1) any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given under any other policy of which this Policy is a renewal or replacement; or
 - (2) any civil, criminal, administrative or investigative proceeding involving any **Insured** pending as of or prior to the date stated in Item 8 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;
- D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property or the loss of use of any tangible property; or (3) humiliation, mental anguish, or emotional distress; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for an **Employment Practices Wrongful Act**, **Personal Injury Wrongful Act**, or **Third Party Wrongful Act**;
- E. for any actual or alleged violation by any **Insured** of the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act or any rules or regulations promulgated under these acts or any similar provisions of any federal, state, local or foreign law, except a **Claim** alleging retaliation for the exercise of any rights under such laws;
- F. for any **Wrongful Act** of any **Insured Persons** in their respective capacity as a director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position of an entity other than the **Organization**, any **Subsidiary**, or **Outside Entity**;
- G. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission, contamination or irritant of any kind, including but not limited to smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement I.A.;
- H. by, or for the benefit of, or at the behest of the **Organization** or any **Subsidiary** or any entity which controls, is controlled by, or is under common control with the **Organization** or any **Subsidiary**, or any person or entity which succeeds to the interests of the **Organization** or any **Subsidiary**, provided, however, this exclusion shall not apply to any **Claim** brought by the receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official of the **Organization**, if any, in the event of **Financial Insolvency**;
- I. for any actual or alleged breach by the **Organization** or any **Subsidiary** of an express or implied contract, except for employment related obligations which would have attached absent such contract or agreement;
- J. other than **Costs of Defense**:
- (1) for any obligation of the **Organization** or any **Subsidiary**, as a result of a **Claim**, seeking relief or redress in any form other than money damages, including but not limited to any obligations of the **Organization** or any **Subsidiary** to modify any building or property; or

- (2) for any obligation of the **Organization** or any **Subsidiary** to pay compensation earned by any **Insured Person** in the course of employment, but not paid by the **Organization** or any **Subsidiary**, including any unpaid salary, bonus, wages, severance pay, retirement benefits, vacation days or sick days, provided, however, this exclusion shall not apply to front pay and back pay; or
 - (3) for any actual or alleged violation by any **Insured** of the Fair Labor Standards Act or any similar state or local law, provided, however, this shall not apply to the Equal Pay Act. **Costs of Defense** provided pursuant to this section, J.(3), shall be subject to the FLSA Defense Sublimit of Liability stated in Item 3(d) of the Declarations, if any;
- K. for any obligations under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law; provided, however this exclusion shall not apply to a **Claim** for an **Employment Practices Wrongful Act** involving retaliation with regard to benefits paid or payable;
 - L. for the performance of or failure to perform psychological, counseling, financial counseling/advisory, legal (except **Employed Lawyer Legal Services**), arbitration, insurance or investment advisory services or referrals, if brought by or on behalf of any individual and/or entity for whom such services were, now are, or shall be performed;
 - M. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving infringement of any patent or misappropriation of trade secrets, provided, however, this exclusion shall not apply to copyright or trademark infringement;

With respect to this section of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present, or future Executive Director, President, or Chairman of the **Organization** shall be imputed to the **Organization** or any **Subsidiary** to determine if coverage is available.

Section V. Limits of Liability and Retention

- A. The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** in excess of the Retention stated in Item 4 of the Declarations. The **Insurer's** maximum Limit of Liability for the aggregate amount of **Loss** resulting from all **Claims** deemed to have been made in a **Policy Year** shall be shown in Item 3 of the Declarations.
- B. One Retention shall apply to each and every **Claim**. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims**, constituting a single **Claim**, shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.
- C. **Costs of Defense** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defense** shall not be subject to the Retention amount. If **Costs of Defense** are incurred by the **Insured** with the **Insurer's** consent, such **Costs of Defense** shall be considered **Loss** and thus subject to the Limit of Liability and Retention.
- D. With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations.

- E. For the purposes of the application of the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is legally permissible, regardless of whether actual indemnification is granted. The certificate of incorporation, charter or other organizational document of the **Organization**, including by-laws and resolutions, shall be deemed to require indemnification and advancement of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

Section VI. Costs of Defense and Settlements

- A. The **Insureds** shall not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defense** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B. The **Insurer** has the right to investigate and settle any **Claim** as it deems expedient. If the **Insurer** recommends a settlement and the **Insured** refuses to consent thereto, the **Insurer's** liability for such **Claim** is limited to the amount in excess of the Retention, which the **Insurer** would have contributed had the **Insured** consented to the settlement, the **Costs of Defense** covered by the Policy and incurred prior to the date of such refusal to settle, and seventy percent (70%) of any additional covered **Loss**, including **Costs of Defense**, incurred subsequent to such refusal and subject to the Limit of Liability.

If the **Insured** refuses to consent to a settlement as contemplated above, **Costs of Defense** shall be subject to the Retention.

Section VII. Notice of Claim

- A. The **Insureds** shall, as a condition precedent of their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date the President, Executive Director, Chief Financial Officer, General Counsel, or person with equivalent responsibility has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Year**.
- B. If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a specific **Wrongful Act** and gives notice to the **Insurer** of: (1) the specific **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.
- C. In addition to furnishing the notice as provided in Section VII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.
- D. Notice to the **Insurer** as provided in Section VII A or B shall be emailed to **ELDCclaims@gaig.com** or mailed to **GREAT AMERICAN INSURANCE GROUP, EXECUTIVE LIABILITY DIVISION, CLAIMS DEPARTMENT, P.O. BOX 66943, CHICAGO, IL 60666**.

Section VIII. Coverage Extensions

A. Spousal/Domestic Partner Provision

The coverage provided by this Policy shall also apply to the lawful spouse or "Domestic Partner" of any **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Person**. The term "Domestic Partner" shall mean any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide. The term **Insured Persons** is deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives, or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

D. Donor Data Loss Crisis Fund

The **Insurer** shall, subject to prior written consent, reimburse the **Organization** reasonable expenses incurred to hire an image consulting company for the purpose of reducing damage to reputation suffered by the **Organization** or any **Subsidiary** arising from donor information that is lost or stolen during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this Policy, not to exceed the Donor Data Loss Crisis Fund Sublimit of Liability stated in Item 3(b) of the Declarations, if any. No Retention shall apply to this coverage extension.

Section IX. General Conditions

A. Cancellation or Non-Renewal

- (1) This Policy may be cancelled by the **Organization** at any time by written notice to the **Insurer**. In the event the **Organization** cancels this Policy for reasons other than the downgrade of the **Insurer's** rating by A.M. Best, the **Insurer** shall retain the customary short rate portion of the premium. However, if the **Organization** cancels the Policy due to a downgrade of the **Insurer's** rating to below [A-] by A.M. Best, the **Insurer** shall refund any unearned premium on a pro rata basis. Payment of any unearned premium by the **Insurer** shall not be a condition precedent of the effectiveness of cancellation but such payment shall be made as soon as practicable.
- (2) This Policy will only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Organization** with at least sixty (60) days advance notice thereof.

B. Proposal Form

It is agreed the particulars and statements contained in Proposal Forms submitted to the **Insurer** (and any material submitted therewith) are the representations of the **Insured** and are to be considered as incorporated in and constituting part of this Policy. It is also agreed this Policy is issued in reliance upon the truth of such representations. However, coverage shall not be excluded as a result of any untrue statement in the Proposal Form, except:

- (1) as to any **Insured Person** making such untrue statement or having knowledge of its falsity; or
- (2) as to the **Organization** and any **Subsidiary**, if the person(s) who signed the Proposal Form(s) for this coverage or any **Insured Person** who is or was a past, present or future Chief Financial Officer, President, or Executive Director of the **Organization** made such untrue statement or had knowledge of its falsity.

In no event shall Insuring Agreement I.A. of this Policy be rescinded by the **Insurer**.

C. Outside Entity Provision

In the event a **Claim** is made against any **Insured Persons** arising out of their service as a director, officer, trustee, regent, governor, or member of the Board of Managers of an **Outside Entity**, coverage as may be afforded under this Policy shall be excess of any indemnification provided by the **Outside Entity** and any insurance provided to the **Outside Entity** which covers its directors, trustees, officers, regents, governors, member of the Board of Managers, or natural person general partners.

In the event Great American Insurance Group provides Directors' and Officers' Liability Insurance for the **Outside Entity**, all **Loss** incurred from all **Claims** submitted under this Policy and the **Outside Entity's** Policy (hereinafter referred to as **Respective Policy(ies)**), arising out of **Related Wrongful Acts**, shall be considered a single **Loss** and the maximum annual aggregate Limit of Liability shall not exceed, under the **Respective Policies**, the higher Limit of Liability between the **Respective Policies**, such Limit of Liability being part of, and not in addition to, the Limits of Liability of the **Respective Policies** previously referenced.

D. Order of Payments

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Policy, the **Insurer** shall first, pay **Loss** for which coverage is provided under Insuring Agreement I.A. of this Policy; and thereafter with respect to whatever remaining amount of the Limit of Liability is available after such payment, pay such other **Loss** for which coverage is provided under any other applicable Insuring Agreements in Section I of this Policy.

E. Merger or Acquisition

If, during the **Policy Period**, the **Organization** acquires the assets of another entity, by merger or otherwise, and the acquired assets of such other entity exceed thirty-five percent (35%) of the assets of the **Organization** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

F. Conversion to Run-Off Coverage

If prior to the end of the **Policy Period**, the **Organization** merges into another organization and the **Organization** is not the surviving entity, another organization or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the **Organization**, or the **Organization** ceases to qualify as a not-for-profit organization under any federal, provincial and territorial legislation and/or the Internal Revenue Code (such events hereinafter referred to as **Transaction**), then:

- (1) the **Organization** must give written notice of such **Transaction** to the **Insurer** within thirty (30) days after the effective date of such **Transaction**, and provide the **Insurer** with such information as the **Insurer** may deem necessary; and
- (2) this Policy, including the **Discovery Period** if elected, shall apply, but only with respect to any **Wrongful Act** committed prior to the effective date of such **Transaction**.

G. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, those filing the claim, and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against any **Insured** nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

H. Subrogation

In the event of payment under this Policy, the **Insurer** shall be subrogated to all the **Insureds'** rights of recovery. The **Insureds** shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. In no event, however, shall the **Insurer** exercise its rights to subrogation against an **Insured Person** under this Policy unless, such **Insured Person**:

- (1) has been convicted of a deliberate criminal act, or
- (2) has been determined by a final adjudication adverse to the **Insured Person** to have committed a deliberate fraudulent act, or to have obtained any profit, advantage or remuneration to which such **Insured Person** was not legally entitled.

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Organization** or any **Subsidiary** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Organization** or any **Subsidiary** and shall be subrogated to rights of the **Insured Persons** hereunder.

I. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

J. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

K. Representative of the Insurer

Great American Insurance Group, Executive Liability Division, Post Office Box 66943, Chicago, Illinois, 60666 shall act on behalf of the **Insurer** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence.

L. Organization Represents Insured

By acceptance of this Policy, the **Organization** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

M. Entire Agreement

By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the Proposal Forms submitted to the **Insurer** and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.

GREAT AMERICAN INSURANCE COMPANY®



President



Secretary

Community Library Network
821 N. Spokane St
Post Falls, ID 83854

Effective Date: 02/01/2024
Expiration Date: 02/01/2025

American Family Home Insurance Company
STATEMENT OF VALUES

Location	Building	Address	Real Property	Personal Property
1 - 1	Library	8385 Government Way, Hayden, ID 83835	\$5,777,312	\$1,521,985
1 - 2	CARPORT	8385 Govt Way, Hayden, ID 83835	\$6,127	
2 - 1	Library	16320 N Highway 41, Rathdrum, ID 83858	\$1,457,183	\$505,703
3 - 1	Library	30399 3rd St, Athol, ID 83801	\$828,202	\$357,575
4 - 1	Library	32575 N 5th Ave, Spirit Lake, ID 83869	\$885,598	\$351,535
5 - 1	Library	107 Main St., Pinehurst, ID 83850	\$857,357	\$320,064
5 - 2	Storage Shed	Pinehurst, Pinehurst, ID 83850	\$4,175	\$540
6 - 1	Library	111 S Coeur d'Alene Ave, Harrison, ID 83833	\$435,491	\$265,490
7 - 1	Post Falls Library	821 N Spokane St, Post Falls, ID 83854	\$5,109,975	\$1,099,702
			\$15,361,420	\$4,422,594
* Not Included In Blanket			Blanket @100%	\$19,784,014

Please sign and date the form

Authorized Officer

Date

Community Library Network
821 N. Spokane St
Post Falls, ID 83854

Effective Date: 02/01/2024
Expiration Date: 02/01/2025

SCHEDULE OF INLAND MARINE

Category	Item	Coverage Limit	Deductible	Written Premium
Scheduled Equipment	N/A - Mobile Equipment under \$25,000 - Summary	\$25,000	\$1,000	\$113
		Total Annual Premium:		\$250

Proposal

DECLARATIONS - MANAGEMENT LIABILITY POLICY

Policy Number:

Producer Number:

Name and Address:

NAMED INSURED:	
MAILING ADDRESS:	
POLICY PERIOD:	FROM TO at 12:01 AM at the address of the named insured as shown above.

MANAGEMENT LIABILITY COVERAGE SECTIONS SUMMARY

(All dates below apply at 12:01 AM at the address of the named insured)
 If "NA" appears in the Limits of Insurance Column(s) for any Coverage Section(s) shown below, such Coverage Section was not purchased and no coverage is provided under this Policy with respect to that Coverage Section.

Coverage Section	LIMIT OF INSURANCE - EACH CLAIM	LIMIT OF INSURANCE - AGGREGATE	SEPARATE OR SHARED AGGREGATE LIMITS OF INSURANCE	DEDUCTIBLE	RETROACTIVE DATE	PRIOR OR PENDING LITIGATION DATE
Directors & Officers Liability Coverage - Private Organization						
Employment Practices Liability Coverage						
Fiduciary Liability Coverage						
Directors and Officers Liability Coverage - Not For Profit Organization						

TOTAL AGGREGATE LIMIT OF INSURANCE:	
--	--

PREMIUM AND COMPANY FEES	
Premium:	
Company Fee:	
Total (of Premium and Company Fee):	

OPTIONAL EXTENDED REPORTING PERIOD	
Period (in Months)	Percentage of Policy Premium
12	<ERP Percentage>
See Policy General Terms and Conditions for details.	

ENDORSEMENTS
Refer to ADF4001, SCHEDULE OF FORMS

NOTICE – WHERE TO REPORT A CLAIM

It is important that losses, claims, or incidents (if incident reporting is permitted under the Policy) are reported in writing and directly to the Claims Department at Kinsale Insurance Company. Reporting losses, claims, or incidents to an insurance agent or broker is not notice to the Kinsale Insurance Company Claims Department. Failure to report directly to Kinsale Insurance Company's Claims Department may jeopardize coverage under the Policy. The Claims Department can be contacted easily and quickly by e-mail, fax, or U.S. mail.

By E-mail:

Newclaimnotices@kinsaleins.com

By FAX:

1-804-482-2762, Attention Claims Department

or

By Mail:

Claims Department
Kinsale Insurance Company
P. O. Box 17008
Richmond, Virginia 23226

Street Address:

Claims Department
Kinsale Insurance Company
2035 Maywill Street, Suite 100
Richmond, Virginia 23230

POLICYHOLDER NOTICE – RISK MANAGEMENT SERVICES

As a free additional benefit to its policyholders, Kinsale Insurance Company has arranged with the national law firm Wilson Elser Moskowitz Edelman & Dicker LLP (Wilson Elser), to offer a toll free Risk Management Hotline. The telephone number is (844) 318-0592 or you may contact a Wilson Elser attorney by email at KinsaleML@wilsonelser.com.

The hotline will entitle you to 2 free hours annually of confidential consultation time with an attorney experienced in this field with respect to any matter that you believe could result in a claim under your Employment Practices, Directors and Officers, or Fiduciary Liability coverage of this Policy. You may also use this service to obtain prospective risk management counseling to mitigate potential exposure with respect to matters insured under your Employment Practices, Directors and Officers, or Fiduciary Liability coverage of this Policy.

The conditions and limitations pursuant to which this service is provided will be further addressed during your first contact.

The Risk Management Hotline is **NOT** for reporting a claim as required under the Employment Practices Coverage, the Directors and Officers Coverage or the Fiduciary Liability Coverage of this Policy. To report a claim you must follow the claim reporting instructions contained in the Policy.

If you have any questions concerning the Risk Management Hotline, please contact your insurance agent or broker.

This notice is for information only and does not amend or become a part of or condition of the Policy document.

SCHEDULE OF FORMS

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

SPECIMEN

MANAGEMENT LIABILITY POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. THE COVERAGE REQUIRES THAT A CLAIM BE FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD AND BE REPORTED IN WRITING TO THE COMPANY WITHIN THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF INSURANCE WILL BE REDUCED BY PAYMENT OF LOSS, INCLUDING DAMAGES AND DEFENSE COSTS. PLEASE READ THE ENTIRE POLICY CAREFULLY.

GENERAL TERMS AND CONDITIONS

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

In consideration of payment of the premium, in reliance upon all statements made and information furnished to us, including the statements and information provided in the "application" which are made part of this Policy, and subject to all the terms, conditions and limitations of this Policy, its applicable Coverage Sections and its endorsements, we agree with the "insured" as follows:

A. SEVERABILITY OF GENERAL TERMS AND CONDITIONS

These General Terms and Conditions apply to each and every Coverage Section of this Policy. The terms and conditions of each separate Coverage Section apply only to that Coverage Section and shall not be construed to apply to any other Coverage Section. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms, conditions and limitations of any Coverage Section, the terms, conditions and limitations of such Coverage Section shall control for purposes of that Coverage Section.

B. DEFINITIONS

The words "we", "us" and "our" refer to the Company providing this insurance. Words and phrases that appear in quotation marks are defined below and have the meanings set forth in these General Terms and Conditions, and that meaning shall apply in any Coverage Section in which these words and phrases appear. Words and phrases that appear in quotation marks and are defined in a particular Coverage Section have the meaning set forth in that particular Coverage Section, and that meaning shall apply for purposes of that particular Coverage Section. All definitions shall apply equally to the singular and plural forms of the respective terms.

1. "Application" means any application, supplemental application or renewal application, and any other information furnished to us for this Policy and for all previous policies issued by us to the "insured" providing uninterrupted coverage until the effective date of this Policy.
2. "Claim" shall have the meaning set forth in the applicable Coverage Section.
3. "Damages" shall have the meaning set forth in the applicable Coverage Section.
4. "Defense costs" means:
 - a. Attorneys' fees, expert witness fees and other fees and costs including pre-judgment and post-judgment interest, paid by us or by the "insured" with our prior written consent, in the investigation and defense of a covered "claim";
 - b. All other fees, costs and expenses resulting from the investigation, defense, settlement and appeal of a covered "claim" as authorized by us;
 - c. Premiums for bonds required as a result of a covered "claim", including bonds to release attachments, but only for bond amounts not exceeding the applicable Limit of Insurance.

If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer. Post-judgment interest includes interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

“Defense costs” shall not include salaries, wages, benefit expenses or overhead of any of our employees or of any “insured”, or any amounts incurred in defense of any “claim” that any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

5. “Insured” shall have the meaning set forth in the applicable Coverage Section.
6. “Insured person” shall have the meaning set forth in the applicable Coverage Section.
7. “Loss” shall have the meaning set forth in the applicable Coverage Section.
8. “Minimum earned premium” means twenty-five percent (25%) of the combined sum of the total policy premium listed in the Declarations and any premium adjustments by endorsement.
9. “Organization” means the entity listed first as the named insured in the Declarations.
10. “Policy period” means the period shown in the Declarations, unless earlier cancelled.
11. “Property damage” means physical injury to tangible property, including all resulting loss of use of that property; or loss of use of tangible property that is not physically injured. Tangible property includes electronic data which means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
12. “Wrongful act” shall have the meaning set forth in the applicable Coverage Section.

C. LIMITS OF INSURANCE AND DEDUCTIBLES

1. The **LIMITS OF INSURANCE** for Each Coverage Section as shown in the Declarations are the maximum Limits of Insurance for “claims” as described in each particular Coverage Section of this Policy. These Limits of insurance pertain only to the Coverage Section for which they are shown.

THE TOTAL AGGREGATE LIMIT OF INSURANCE amount shown on the Declarations shall be our maximum Limit of Insurance for all “claims” for “loss” during the “policy period” under all Coverage Sections.

If the Coverage Summary section of the Declarations shows that the Limits of Insurance for Each Coverage Section are **SHARED AGGREGATE LIMITS OF INSURANCE**, then, subject to the **TOTAL AGGREGATE LIMIT OF INSURANCE** amount shown on the Declarations, a reduction in the Limit of Insurance applicable to one Coverage Section will reduce the Limit of Insurance available under any other Coverage Section.

If the Coverage Summary section of the Declarations shows that the Limits of Insurance for Each Coverage Section are **SEPARATE AGGREGATE LIMITS OF INSURANCE**, then a reduction in the Limit of Insurance applicable to one Coverage Section shall not reduce the Limit of Insurance under any other Coverage Section.

2. In the event that a “claim” is covered under more than one Coverage Section of this Policy, the maximum limit of insurance for the “claim” shall not exceed the highest **LIMIT OF INSURANCE-EACH CLAIM** available under any one Coverage Section.

If two or more insurance policies issued by us or any of our affiliated companies apply to the same “claim”, the most we shall be liable for under all such policies is the Limit of Insurance of that policy with

the highest applicable Limit of Insurance. If the Limit of Insurance on each policy is the same, only one limit will apply. This provision will not apply to any insurance policy issued by us or an affiliated company to apply specifically as excess insurance over this Policy.

All “wrongful acts” that are logically or causally connected by any common fact, circumstance, situation, transaction, event, service, advice or decision, will be considered one “wrongful act.” All “claims” based upon such logically or causally connected “wrongful acts” shall be deemed to constitute a single “claim” and be subject to a single, **LIMIT OF INSURANCE-EACH CLAIM**.

3. Deductible amounts reduce the Limit of Insurance payable under the applicable Coverage Section. The application of a Deductible under one Coverage Section shall not reduce the Deductible under any other Coverage Section.

D. TERRITORY

This Policy applies to “wrongful acts” of any “insured” anywhere in the world; provided, however, that any such “claim” must be brought in the United States, its territories or possessions, or Canada.

E. WHEN THERE IS A CLAIM

The “insured” shall immediately provide us with written notice of any “claim”. The “insured” shall immediately provide us with any demands, notices, summons or other documents received in connection with the “claim”, authorize us to obtain records and other information, and cooperate with us in the investigation, defense or settlement of the “claim”.

All “insureds” shall assist us in the enforcement of any right against any person or organization that may be liable to any “insured” because of “loss” to which this insurance may also apply.

No “insured” will make a payment, accept liability, assume any obligation or incur any expense without first obtaining our approval, except at that “insured’s” own cost.

F. AUTOMATIC ADDITIONAL TIME IN WHICH TO REPORT CLAIMS FIRST MADE AT THE END OF THE POLICY PERIOD

If a “claim” is first made against any “insured” during the last fourteen (14) calendar days of the “policy period”, such “claim” will be treated as if it had been reported to the Company during this “policy period”, if:

1. The “claim” results from a “wrongful act” committed on or subsequent to the applicable Coverage Section Retroactive Date and before the end of the “policy period”; and
2. The “insured” demonstrates reasonable effort to have reported such “claim” to us; and
3. The “insured” provides us with written notice of such “claim” no later than thirty (30) calendar days after the end of the “policy period”.

This provision does not apply to any “claim” that is covered in whole or in part under any other insurance, except insurance purchased specifically to apply as excess over this Policy. This applies whether that other insurance is issued by the Company or any other insurer, and to any “claim” that would be covered by that other insurance but for the exhaustion of the limit of insurance or but for the failure of any “insured” to comply with the terms and conditions of that other insurance.

This provision does not apply if an Optional Extended Reporting Period has been purchased.

G. OPTIONAL EXTENDED REPORTING PERIOD

If this Policy is cancelled or is not renewed for reasons other than non-payment of premium or Deductible, non-compliance with this Policy's terms and conditions, or for misrepresentation or fraud, the "organization" shall have the right to purchase an Extended Reporting Period. If this Extended Reporting Period is purchased, the "insured" may report to us a "claim" to which this Policy applies, that is first made against any "insured" during such Extended Reporting Period, but only if such "claim" results from a "wrongful act" committed on or subsequent to the applicable Coverage Section Retroactive Date and before the end of the "policy period".

The Extended Reporting Period shall be subject to all the terms and conditions of this Policy. The following additional terms and conditions apply to the Extended Reporting Period:

1. The "organization" must provide us a written request for the Extended Reporting Period endorsement and pay any premium due within thirty (30) days after the end of the "policy period". The Extended Reporting Period will not go into effect unless the additional premium is paid promptly when due.
2. The Extended Reporting Period is provided by endorsement for an additional premium computed as a percentage of the combined sum of the policy premium listed in the Declarations and any premium adjustments by endorsement, not including a cancellation endorsement if applicable.
3. The premium for the Extended Reporting Period is deemed fully earned and is non-refundable the first day the Extended Reporting Period is effective. Once in effect, the Extended Reporting Period may not be cancelled by the "organization" or us.
4. The Limit of Insurance for "claims" made during the Extended Reporting Period is considered part of, and not in addition to, the Limit of Insurance for this Policy. There shall be no reinstatement of Limits of Insurance under any Extended Reporting Period. The fact that the period during which "claims" may be first made and reported to us under this Policy is extended by activation of the Extended Reporting Period does not in any way increase the available Limits of Insurance of this Policy.
5. The Extended Reporting Period does not apply to any "claim" that is covered in whole or in part under any other insurance, except insurance purchased specifically to apply as excess over this Policy. This applies whether that other insurance is issued by the Company or any other insurer, and to any "claim" that would be covered by that other insurance but for the exhaustion of the limit of insurance or but for the failure of any "insured" to comply with the terms and conditions of that other insurance.

H. GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of any "insured" or of any "insured's" estate will not relieve us of our obligations under this Policy.

2. Legal Action Against Us

- a. No action may be brought against us unless there has been full compliance with all of the terms of this Policy and the ultimate amount of the "insured's" responsibility has been finally concluded either by a trial judgment against the "insureds" or by written agreement with the "insureds", all claimants, and us;
- b. No person or organization has any right under this Policy to join us as party into any suit to determine the liability of any "insured".

3. Representations

By accepting this Policy, the “insureds” agree that:

- a. The “application” and all other information and statements provided to us are true, accurate and complete;
- b. The “application” and all other information and statements provided to us are representations and warranties made to us on behalf of all “insureds”;
- c. This Policy was issued in reliance upon the truth and accuracy of those representations and warranties; and
- d. Concealment, misrepresentation or fraud in the procurement of this Policy, which if known by us, would have led us to refuse to enter into this contract at its current terms, conditions or pricing, or to provide coverage for a “claim” hereunder, will be deemed material and this Policy shall be void. In such an event, the Company shall have no obligation to return any portion of the premium.

4. Subrogation

If any “insured” has rights to recover all or part of any “loss” that we paid under this Policy, those rights are transferred to us. “Insureds” must do nothing to harm these rights and will cooperate with us to enforce these rights.

5. “Organization’s” Responsibilities

The “organization” listed first in the Declarations of this Policy shall act on behalf of all “insureds” for completing the “application” for this insurance, giving or receiving notice of cancellation or non-renewal, paying premium or receiving unearned premium, paying the Deductible, agreeing to any changes in this Policy, and electing whether or not to purchase the Extended Reporting Period described in item **G**.

OPTIONAL EXTENDED REPORTING PERIOD.

6. Spousal Extension

If a “claim” against an “insured” includes a claim against the lawful spouse or domestic partner of such “insured” solely by reason of (a) such spousal or domestic partner status, or (b) such spouse’s or domestic partner’s ownership interest in property or assets that are sought as recovery for a “wrongful act”, any such “claim” shall be deemed to be a “claim” against an “insured”.

All terms and conditions of this Policy, including the Deductible, will be applicable to such “claim”, provided however that extension of coverage afforded by this Spousal Extension shall not apply to the extent the “claim” alleges any wrongful act or omission by such spouse or domestic partner.

7. Policy Renewal

Disclosure of a “claim” or potential “claim” on a renewal submission, application, or claim information supplement submitted to us shall not be notice of a “claim”. The “insured” must follow reporting requirements set forth in the Policy in order to provide notice of a “claim”.

8. Cancellation and Non-Renewal

- a. Cancellation
 - 1) The “organization” listed first 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 “organization” written notice of cancellation at least:
 - i. Ten (10) days before the effective date of cancellation if we cancel for non-payment of premium or non-payment of Deductible; or

- ii. Thirty (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 "organization's" last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 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 "organization" any refund due. If we cancel for reasons other than non-payment of premium, the refund will be pro rata. If we cancel due to non-payment of premium or if the "organization" cancels for any reason, the refund may be less than pro rata and is subject to the "minimum earned premium". The cancellation will be effective even if we have not made or offered a refund.

b. Non-Renewal

- 1) If we elect not to renew this Policy, we shall mail written notice to the "organization's" last mailing address known to us. Such written notice of non-renewal shall be mailed at least thirty (30) days prior to the end of the "policy period".
- 2) If notice is mailed, proof of mailing will be sufficient proof of notice.

9. Change in Exposure: Mergers and Acquisitions

a. If during the "policy period", any of the following events occur:

- 1) The acquisition of any "organization" by another entity or the merger or consolidation of the "organization" into or with another entity such that the "organization" is not the surviving entity; or
- 2) Another entity or person acquires more than fifty percent (50%) of the voting stock of the "organization"; or
- 3) Another entity or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the "organization"; or
- 4) If the "organization" is a non-profit organization and the "organization" ceases to qualify as a non-profit organization under any federal law or the Internal Revenue Code

then the "organization" must give written notice of such event to the Company within fifteen (15) days and provide us with all information that we deem necessary and coverage under this Policy will cease with respect to "wrongful acts" after such event. After any such event, this Policy may not be cancelled by any "insured" and the entire premium for this Policy will be deemed fully earned.

b. If during the "policy period", any "organization" acquires the majority of the assets of another entity that is not a "subsidiary" as defined in this Policy, by merger into or consolidation with the "organization" no coverage shall be afforded under this Policy for any "claim" involving the entity which is consolidated or merged with or acquired, unless:

- 1) We are provided with written notice of such creation, acquisition, or merger within fifteen (15) days after the effective date thereof, but before Policy expiration, whichever is earlier; and
- 2) We are provided with all information that we may deem necessary; and
- 3) The "organization" accepts any terms, conditions, exclusions and pays any additional premium charged; and

- 4) We, at our sole discretion, specifically agree to endorse that entity onto this Policy as a “subsidiary”.

If we agree to provide such coverage, it shall apply only to “wrongful acts” after the effective date of such transaction and shall apply as excess of any other valid and collectible insurance.

10. Fraudulent Acts

If any “insured” commits fraud in connection with any “claim” submitted to the Company, this insurance shall become void from the date such fraudulent “claim” is submitted. In such an event, the Company shall have no obligation to return any portion of the premium.

11. Assignment of Interest Limitation

Assignment of interest by the “insured” under this Policy shall not bind us unless we agree and endorse the assignment onto this Policy.

12. Service of Suit

In the event of the failure of the Company to pay any amount claimed to be due under this Policy, the Company will submit to the jurisdiction of any court of competent jurisdiction within the United States of America or Canada. All matters arising under this Policy shall be determined in accordance with the choice of law rules of such court. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company’s rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

Service of process in any such suit may be made upon the President and Chief Executive Officer of the Company or his designee at the address shown on the Declarations of this Policy. In any suit instituted upon this contract and against the President and Chief Executive Officer of the Company or his designee, the Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal. The President and Chief Executive Officer of the Company or his designee are authorized and directed to accept service of process.

Pursuant to any statute of any state, territory or district of the United States of America, the Company designates the Superintendent, Commissioner or Director of Insurance or other officer specified for the purpose in the statute, or his successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the “insured” or any beneficiary under this Policy arising out of this contract of insurance. The Company designates the above-named as the person to whom said officer is authorized to mail such process or a true copy of such process.

13. Binding Arbitration

All disputes under this policy shall be subject to binding arbitration as follows:

- a. All disputes over coverage or any rights afforded under this Policy, including whether an entity or person is an “insured” or the effect of any applicable statutes or common law upon the contractual obligations owed, shall be submitted to binding arbitration, which shall be the sole and exclusive means to resolve the dispute. Either party may initiate the binding arbitration.

The arbitration forum and process shall be agreed to by the parties. In the event the parties cannot agree on an arbitration forum and process, the matter shall be submitted to the American Arbitration Association. The Arbitration shall be before a panel of three arbitrators, unless the parties agree to one arbitrator, all of whom shall have experience in insurance coverage of the type afforded by this Policy. If the parties select a panel of three arbitrators, each party shall select an arbitrator and the

chosen arbitrators shall select a third arbitrator. The American Arbitration Association shall decide any disputes concerning the selection of the Arbitrators. The potential arbitrators from which the arbitrators shall be selected shall not be confined to those provided by the American Arbitration Association. Each party shall bear the costs of its arbitrator and shall share equally the costs of the third arbitrator and arbitration process. In the event of a single arbitrator, the cost shall be shared equally by the parties. The decision of the arbitration is final and binding on the parties.

- b. All disputes regarding payment(s) owed under this policy for any deductible or premium, including but not limited to any audit premium, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with the AAA Expedited Procedures. This arbitration shall be the sole and exclusive means to resolve the dispute. Either party may initiate the binding arbitration.

Each party will provide relevant documents in support of its position. In order to eliminate undue burden and expense, there shall be no other discovery allowed. The arbitration will be based solely on the documents submitted by the parties and there shall be no in-person or oral hearing. The disputes shall be decided by a single arbitrator. The arbitrator's decision shall be accompanied by a reasoned opinion and shall be binding upon all parties. Any judgment or award rendered by the arbitrator may be entered in any court having jurisdiction to enforce such judgment or award. Each party shall bear its own costs and expenses and an equal share of the arbitrator's fee and any administrative fees associated with the arbitration.

Except as may be required by law, neither a party nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

SECTION I – COVERAGE

A. Insuring Agreement

1. We will pay “loss” in excess of the Deductible that the “insured” is obligated to pay for a “claim” for a “wrongful act”.
2. This insurance applies only if:
 - a. Prior to the effective date of this Policy, no “insured” had knowledge of any “wrongful act” that could reasonably give rise to a “claim” made under this Policy;
 - b. No common fact, circumstance, situation, transaction, incident, event, service, advice or decision was reported as a “claim” or potential claim under any prior policy or disclosed in the application for this Policy or any previous insurance policy;
 - c. The “claim” is not based on, does not arise out of, directly or indirectly result from or in any way involve any “claim” as of the Prior or Pending Litigation Date shown in the Declarations as applicable to this Coverage Section;
 - d. The “claim” is for a “wrongful act” that first took place on or subsequent to the Retroactive Date shown in the Declarations as applicable to this Coverage Section and before the end of this “policy period”; and
 - e. The “claim” is first made against the “insured” during this “policy period” and is reported to us in writing during this “policy period”, or within an Extended Reporting Period, if applicable.

B. Defense and Settlement

1. We have the right and duty to defend the “insured” against a covered “claim”. However, we have no duty to defend the “insured” against any “claim” to which this insurance does not apply. We may at our discretion, investigate any potential “claim”.
2. We have the right to settle any “claim”, whether within or above the Deductible, but we will seek the “insured’s” written consent to any settlement. If the “insured” refuses to consent to any settlement we recommend that is acceptable to the claimant, our Limit of Insurance for such “claim” is limited to the amount in excess of the Deductible we would have paid as “damages” had the “insured” consented to settlement at that time, including any “defense costs” incurred up to the date of such refusal to settle.
3. The amount we will pay for “loss” is limited to and shall reduce the applicable Limit of Insurance. Our right and duty to defend or settle ends when we have paid the applicable Limit of Insurance. At that time, we shall have the right to withdraw from further defense, payment or settlement of any “claim” by tendering control of such “claim” to the “insured”, which agrees to accept such tender as a condition of this Policy.

C. Multiple Claims

All “claims” for “damages” to the same person or entity will be deemed to have been made on the date when the first of all such logically or causally connected “claims” was made against any “insured”. All “wrongful acts” that are logically or causally connected by any common fact, circumstance, situation, transaction, event, service, advice or decision will be considered one “wrongful act” and will be deemed to have taken place at the time the first of these related “wrongful acts” took place. All “claims” based upon such logically or causally connected “wrongful acts” shall be deemed to constitute a single “claim” and be subject to a single LIMIT OF INSURANCE-EACH CLAIM.

SECTION II – DEFINITIONS

Defined terms applicable to this Coverage Section are defined below and appear in quotation marks throughout this Coverage Section.

- A.** “Bodily injury” means physical injury, physical pain or sickness or death of any person.
- B.** “Claim” means:
1. A written demand for monetary damages or non-monetary relief, including injunctive relief, or for mediation, arbitration or the tolling or waiver of a statute of limitations;
 2. A charge, complaint or other notice of commencement of federal, state, or local administrative proceedings by or before any agency with authority over the “organization’s” employment practices.
- C.** “Damages” means any compensatory amount any “insured” is legally obligated to pay as a result of a “claim” to which this Coverage Section applies, including judgments, awards and settlements, back pay, front pay, statutory attorneys’ fees and statutory liquidated damages.
- D.** “Employee” means any past, present or future individual employed by and directed by the “organization” or “subsidiary”, including volunteers and staff members, whether part-time, full-time, seasonal, or temporary, and “leased employees”.
- E.** “Employment practices wrongful act” means any actual or alleged:
1. Violation of any federal, state, local or common law, prohibiting any kind of employment-related discrimination;
 2. Harassment, including any type of sexual or gender harassment as well as racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment and including workplace harassment by non-employees;
 3. Abusive or hostile work environment;
 4. Wrongful discharge or termination of employment, whether actual or constructive;
 5. Breach of an implied or written employment contract or of promissory estoppels as long as another “employment practices wrongful act” is also alleged;
 6. Wrongful failure or refusal to hire or promote, or wrongful demotion;
 7. Wrongful failure or refusal to provide equal treatment or opportunities;
 8. Employment termination, disciplinary action, demotion or other employment decision that violates public policy or the Family Medical Leave Act or similar state or local law;
 9. Wrongful failure or refusal to adopt or enforce adequate workplace or employment practices, policies or procedures;
 10. Wrongful, excessive or unfair discipline;
 11. Negligent infliction of emotional distress, mental anguish, or humiliation;
 12. Retaliation, including retaliation for exercising protected rights, supporting in any way another’s exercise of protected rights, or threatening or actually reporting wrongful activity of an “insured” such as violation of any federal, state, or local “whistle blower” law;
 13. Wrongful deprivation of career opportunity, negligent evaluation or failure to grant tenure;
 14. Violation of the Uniformed Services Employment and Reemployment Rights Act; or
 15. Negligent hiring or negligent supervision of others, including wrongful failure to provide adequate training, in connection with 1. through 14. above;
- but only if the “employment practices wrongful act” is committed by an “insured” and directed against the “organization’s” past, present, or future “employee”, or an applicant for employment.
- F.** “Executive” means any past, present or future duly elected or appointed officer, director, trustee, regent, governor or member of the board of directors.
- G.** “Insured” means the “organization”, “subsidiary” and any “insured person”.

- H. "Insured person" means any duly elected or appointed "executive", principal, partner, stockholder, member, manager or "employee" of the "organization". "Insured person" includes the heir, executor, administrator, and legal representative of each "insured person", in the event of death, incompetency or bankruptcy of such "insured person", but only for liability arising out of any actual or alleged "wrongful act" of the "insured person".
- I. "Leased employee" means any "employee" who is leased to the "organization" to perform work for or on behalf of the "organization" and over whom the "organization" controls the means and manner of their work.
- J. "Loss" means "damages" and "defense costs"; however, "loss" shall not include:
1. Any fine, penalty, taxes or sanction of any type against any "insured";
 2. Any matter or amount that is uninsurable by law;
 3. Any amount for which the "insured" is absolved from payment;
 4. Stock options or amounts reflecting the value of stock options;
 5. Amounts owed under employment contracts, partnership, stock or other ownership agreements, or any other type of contract;
 6. Severance pay;
 7. Disability, social security, workers' compensation, medical, insurance, retirement or pension benefits, or settlement amounts representing benefits payments;
 8. The cost to modify any premises or provide any accommodation to any disabled person;
 9. The cost of instituting or conducting any program, procedure, or training;
 10. The cost of instating or reinstating employment, or providing any non-monetary relief;
 11. Any relief, whether pecuniary or injunctive, imposed or agreed to in connection with criminal lawsuits or proceedings; or
 12. Punitive or exemplary damages, or the amount of any multiplied damages awarded that is in excess of the damage award so multiplied, even if the multiple damages are considered liquidated damages.
- K. "Reduction-in-force" means notification to an "employee" that such "employee's" employment was or will be suspended for an indefinite or definite period of time, and/or notification to an "employee" that such "employee" was or will no longer be employed by the "organization" or "subsidiaries", whether such notification was immediate or as to the future.
- L. "Subsidiary" means
1. Any entity whose securities are not publicly traded, and for which the "organization":
 - a. Owns directly or indirectly, more than fifty percent (50%) of the voting stock of such entity as of the inception date of this Policy; or
 - b. Has or controls the right to elect more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy.
 2. An entity whose securities are not publicly traded, that is created or acquired by the "organization" after the inception date of this Policy, if the entity's total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the "organization" as of the inception date of this Policy and the total number of the acquired entity's employees does not exceed fifty percent (50%) of the total number of the "employees" of the "organization" and its "subsidiaries" as of the inception date of this Policy, provided the Company has been notified of creation or acquisition of such an entity within fifteen (15) days of its creation or acquisition.
 3. Any other entity added as a "subsidiary" by written endorsement to this Policy.
- Coverage under this Coverage Section is available to a "subsidiary" only for "wrongful acts" allegedly committed during the time such entity was a "subsidiary".
- M. "Wrongful act" means an "employment practices wrongful act".

SECTION III – EXCLUSIONS

This Coverage Section does not apply to any "claim" for "loss":

- A. Based upon, arising out of or in any way involving rights, duties, or liabilities of others, which any “insured” assumes under any contract or agreement, unless the “insured” would have been held legally liable in the absence of such contract or agreement.
- B. For “bodily injury”.
- C. Based upon, arising out of or in any way involving violation of any of the following:
1. The Fair Labor Standards Act (except the Equal Pay Act),
 2. The National Labor Relations Act,
 3. The Worker Adjustment and Retraining Notification Act,
 4. The Immigration Reform Control Act of 1986,
 5. The Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act,
 6. The Employee Retirement Income Security Act of 1974,
 7. Any workers’ compensation, unemployment insurance, social security, or disability benefits law,
 8. Other similar provisions of any federal, state, or local statutory or common law, including any actual or alleged violations of any federal, state or local wage and hour laws or regulations, whether or not such allegations are made in connection with any governmental or administrative proceeding;
- Provided however,
- a. This exclusion C. will not apply to any “claim” of any actual or alleged retaliatory treatment on account of the exercise of rights pursuant to any such law; and
 - b. In the event a “claim” excluded from coverage by this exclusion C. also alleges “wrongful acts” otherwise covered by this Coverage Section, notwithstanding the provisions of **SECTION I—COVERAGE, B. DEFENSE AND SETTLEMENT**, we agree to pay only that portion of “loss” arising solely from such “wrongful acts” allegations and subject to all other terms, conditions and exclusions contained in this Coverage Section.
- D. Based upon, arising out of or in any way involving any criminal act.
- E. Based upon, arising out of or in any way involving any fraudulent act, dishonest act, or intentional act, error, or omission committed with knowledge of its wrongful nature. However, if such allegations involve a “claim” to which this insurance otherwise applies, we shall defend such allegations against the “insured” until a judgment or other final adjudication establishes, or such “insured” admits, that the act, error, or omission was committed, or personally acquiesced in, by such “insured”.
- F. Based upon, arising out of or in any way involving any fact, circumstance, or situation:
1. That was the subject of written notice given under any prior policy of which this Policy is a renewal or replacement;
 2. That was the subject of any written demand for monetary damages, administrative or arbitration proceeding or civil or criminal litigation against any “insured” as of the Prior and Pending Date identified in the Declarations, or the same or substantially the same fact, circumstance, or situation underlying or alleged in the prior matter; or
 3. That was identified in any summary or statement of claims or potential claims submitted in connection with the “application”.
- G. Based upon, arising out of or in any way involving any “reduction-in-force” that occurred during the period of one year prior to the inception date of this Policy or during the “policy period”, and that resulted in the termination, or actual or constructive discharge, of ten percent (10%) or more of the “organization’s” total work force.
- H. Based upon, arising out of or in any way involving any refusal, failure or inability of any “insured” to pay “earned wages” (as opposed to tort-based back pay or front pay damages) or for improper payroll deduction taken by any “insured” from any “employee” or purported “employee” including, but not limited to, (i) any unfair business practice claim alleged because of the failure to pay “earned wages”, or (ii) any “claim” seeking “earned wages” because any “employee” or purported “employee” was

improperly classified or mislabeled as exempt. "Earned wages" means wages, compensation of any kind or overtime pay for services rendered.

- I. Based upon, arising out of or in any way involving any actual or alleged violation of the Telephone Consumer Protection Act (TCPA), the CAN-SPAM Act of 2003, the Fair Credit Reporting Act (FCRA), the Fair and Accurate Credit Transaction Act (FACTA), the Fair Debt Collection Practices Act (FDCPA) and any amendments to such laws; and including violation of any other statute, ordinance or regulation that limits or prohibits the printing, dissemination, disposal, collecting, recording, transmitting, communicating, sending or distribution of any material or information.

SECTION IV – LIMITS OF INSURANCE AND DEDUCTIBLE

Regardless of the number of "insureds" or "claims" made, our liability is limited as follows:

- A. The LIMIT OF INSURANCE-EACH CLAIM shown as applicable to this Coverage Section in the Declarations is our maximum liability for "loss" for each covered "claim" under this Coverage Section.
- B. The LIMIT OF INSURANCE-AGGREGATE shown in the Declarations as applicable to this Coverage Section is our maximum liability for the sum of all "loss" under this Coverage Section, subject to the LIMIT OF INSURANCE-EACH CLAIM.
- C. Under this Coverage Section, we shall be liable only for those amounts payable as "loss" incurred in a "claim" or suit which are in excess of the DEDUCTIBLE shown in the Declarations as applicable to this Coverage Section. Such Deductible applies to "loss" for each "claim" and shall be paid by the "organization". If we advance payment of all or part of the Deductible, the "organization" shall reimburse us within thirty (30) days of our request for reimbursement. This Deductible amount reduces the Limit of Insurance payable under this Coverage Section.

SECTION V – EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION CONDITIONS

Other Insurance

This Coverage Section's insurance is primary insurance for "wrongful acts" to which this Coverage Section applies, but shall be excess over any other valid insurance that applies to an "insured":

1. From or through a leasing company with respect to a "leased employee"; or
2. For whom coverage under this Coverage Section is provided subject to this Policy's **GENERAL CONDITIONS**, item 8.b. **Change in Exposure: Mergers and Acquisitions**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAGE AND HOUR CLAIM DEFENSE ONLY SUBLIMIT AND SEPARATE RETROACTIVE DATE ENDORSEMENT

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance under the following:

MANAGEMENT LIABILITY - EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

SCHEDULE

WAGE AND HOUR CLAIM DEFENSE COSTS LIMITS OF INSURANCE, DEDUCTIBLE, AND RETROACTIVE DATE	
Each Claim Limit of Insurance	\$
Aggregate Limit of Insurance	\$
Deductible	\$
Retroactive Date	

The amounts shown in the Schedule above are the maximum amounts we will pay for all "defense costs" for "claims" alleging violation of any "wage and hour law or regulation". The Wage and Hour Claim Defense Costs Limits shall apply to those "defense costs" attributable solely to that portion of the "claim" alleging violation of any "wage and hour law or regulation".

For the purposes of this endorsement, the DEDUCTIBLE amount applicable to this Coverage Section as shown on the Declarations is amended to the Deductible amount shown in the Schedule above and we shall be liable only for those amounts payable as "defense costs" that are in excess of the Deductible shown in the Schedule above. This Deductible amount reduces the Limits of Insurance payable under this endorsement.

For the purposes of this endorsement, the RETROACTIVE DATE applicable to this Coverage Section as shown on the Declarations is amended to the Retroactive Date shown in the Schedule above. This endorsement applies only to those "claims" alleging violation of any "wage and hour law or regulation" that first took place on or subsequent to the Retroactive Date shown in the Schedule above and prior to the end of this "policy period".

The Limits of Insurance shown in the Schedule above are subject to and not in addition to the Limits of Insurance applicable to this Coverage Section as shown on the Declarations. This endorsement in no way increases the Each Claim or Aggregate Limit of Insurance applicable to this Coverage Section as set forth on the Declarations. In no event shall the Wage and Hour Claim Defense Costs Limit apply to "damages".

For purposes of this endorsement, **SECTION III - EXCLUSIONS** of this Coverage Section, exclusion **C.**, item 8., and exclusion **H.** are amended by adding the following:

However, subject to the Wage and Hour Claim Defense Costs Limits shown in the Schedule above, we shall pay "defense costs" to defend the "organization" against a "claim" alleging violation of any "wage and hour law or regulation" provided that no "insured" was aware of the actual or alleged violation of the "wage and hour law or regulation" prior to the effective date of this endorsement.

"Wage and hour law or regulation" means any federal, state, or local law or regulation governing or relating to the payment of wages, including the payment of overtime, on-call time, rest periods, minimum wages, or the classification of "employees" for the purposes of determining "employee" eligibility for compensation under any such law.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIRD PARTY DISCRIMINATION LIABILITY ENDORSEMENT INCLUDING ADA AND CLASS ACTION EXCLUSIONS

Attached To and Forming Part of Policy	Effective Date of Endorsement 12:01AM at the Named Insured address shown on the Declarations	Named Insured
Additional Premium:	Return Premium:	

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY - EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

SECTION II - DEFINITIONS of this Coverage Section is amended by deleting the definition of “wrongful act” and replacing it with the following:

M. “Wrongful act” means “employment practices wrongful act” or “third party discrimination”.

SECTION II - DEFINITIONS of this Coverage Section is amended by adding the following:

“Third party discrimination” means any actual or alleged discrimination, sexual harassment, or violation of such third party’s civil rights in relation to such discrimination or sexual harassment committed by an “insured” against anyone other than an “employee”, in his or her capacity as an “insured”.

“Class action” means any civil action filed under Rule 23 of the Federal Rules of Civil Procedure, or similar state statute or rule of judicial procedure, authorizing an action to be brought on behalf of a class by one of more representative persons.

SECTION III - EXCLUSIONS of this Coverage Section is amended by adding the following exclusions:

This Coverage Section does not apply to any “claim” for “loss” alleging “third party discrimination” based upon, arising out of or in any way involving any actual or alleged violation of the Americans with Disabilities Act of 1990, as amended, or any other similar state or local law or regulation.

This Coverage Section does not apply to any “claim” for “loss” alleging “third party discrimination” brought, in whole or in part, as or within a “class action” proceeding. This exclusion applies to the entire “claim”, regardless that any cause of action or allegation, or any portion thereof, included in such “class action” proceeding is brought solely as to an individual or group of individuals that is less than the entire purported class.

SECTION V - EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION CONDITIONS, Other Insurance Condition is deleted and replaced with the following:

Other Insurance

This Coverage Section’s insurance is primary insurance for “employment practices wrongful acts” to which this Coverage Section applies, but shall be excess over any other valid insurance that applies to an “insured”:

1. From or through a leasing company with respect to a “leased employee”; or
2. For whom coverage under this Coverage Section is provided subject to this Policy’s **GENERAL CONDITIONS**, item **9.b. Change In Exposure: Mergers and Acquisitions**; or

3. With respect to coverage for “third party discrimination”.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - COMMUNICABLE DISEASE

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance under the following:

MANAGEMENT LIABILITY - ALL COVERAGE SECTIONS

SECTION III – EXCLUSIONS of this Coverage Section is amended by adding the following exclusion:

This Coverage Section does not apply to any “claim” for “loss”:

Arising directly or indirectly out of, related to, or in any way involving the inhalation of, absorption of, ingestion of, contact with, exposure to, existence of, or presence of any form of communicable disease.

This exclusion applies, but is not limited to the following:

- a. Providing or failing to provide any supervision, instructions, recommendations, warnings, or advice related to any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any communicable disease;
- b. Failure to provide an environment safe from communicable disease or the actual, alleged or threatened transmission to others;
- c. The prevention or suppression, or failure to prevent or suppress communicable disease or the actual, alleged, or threatened transmission to others;
- d. The reporting or failure to report to the proper authorities;
- e. The negligent hiring, employment, training, supervision, or retention of any “insured”, “employee”, agent or other person with respect to a. through d. above; or
- f. Any loss, cost or expense arising out of, related to, or in any way involving any “claim”, request, or demand that any “insured”:
 - (1) Assess the presence, absence, amount, or effects of any communicable disease; or
 - (2) Identify, sample, test, monitor, clean up, remove, dispose of, or neutralize the effects of any communicable disease in any building, material, animal, or product; or
 - (3) Respond to a communicable disease in any manner other than as described in a. or b. above.

This exclusion applies regardless of whether communicable disease is the initial precipitating cause or is in any way a cause of injury or damage and regardless of whether any other actual or alleged cause, event, material or product contributed concurrently, proximately, or in any sequence to such injury or damage, including whether any actual or alleged injury or damage arises out of a chain of events that includes communicable disease.

As used in this exclusion, communicable disease includes, without limitation:

- a. Any infectious or contagious disease caused by any pathogen, including but not limited to virus, bacterium, prion, or protozoa or other microorganism;
- b. Any sexually transmitted disease, including but not limited to Acquired Immunodeficiency Syndrome or Human Immunodeficiency Virus, or exposure to another having the same, or to substances or materials contaminated with the same, or fear of contracting Acquired Immunodeficiency Syndrome, Human Immunodeficiency Virus, or any other communicable disease; or
- c. Any other infectious or contagious disease transmissible by direct contact with an affected individual or the individual's discharges or by indirect means.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF OTHER ACTS OF TERRORISM;
EXCLUSION OF PUNITIVE DAMAGES AND NBCR RELATED TERRORISM;
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY - ALL COVERAGE SECTIONS

A. The following exclusions are added to this Policy:

This insurance does not apply to:

OTHER ACT OF TERRORISM

"Loss" resulting from any "claim" based upon, attributable to, or arising directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

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

In the event of an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any "loss" resulting from any "claim" that is otherwise excluded under this Policy or below.

TERRORISM PUNITIVE DAMAGES

Punitive damages awarded as a result of "loss" arising directly or indirectly out of any act of terrorism, including but not limited to any "other act of terrorism" or "certified act of terrorism".

TERRORISM – NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL (NBCR)

“Loss” arising directly or indirectly out of any act of terrorism, including but not limited to any “other act of terrorism” or “certified act of terrorism” that involves any violent act, including the threat of any activity or preparation for any activity that involves the use, release, dispersal, discharge, escape or application of nuclear materials, or directly results in nuclear reaction or radiation or radioactive contamination; or pathogenic or poisonous biological or chemical materials.

B. The following definitions are added:

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

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

- C.** With respect to any one or more “certified acts of terrorism”, we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF DESIGNATED PERSON OR ENTITY

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>	<i>Return Premium:</i>	

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY - ALL COVERAGE SECTIONS

SCHEDULE

Excluded Person or Entity

The following exclusion is added to this Policy:

This Policy does not apply to any "claim" for "loss" based upon, arising out of, or in any way involving the person or entity named in the Schedule above.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – STATUTORY ATTORNEYS’ FEES

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>	<i>Return Premium:</i>	

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY - EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

For purposes of this Coverage Section, **GENERAL TERMS AND CONDITIONS Section B. DEFINITIONS**, the definition of 4. “Defense costs” is deleted and replaced with the following:

4. “Defense costs” means:
- a. Attorneys’ fees, expert witness fees and other fees and costs including pre-judgment and post-judgment interest, paid by us or by the “insured” with our prior written consent, in the investigation and defense of a covered “claim”;
 - b. All other fees, costs and expenses resulting from the investigation, defense, settlement and appeal of a covered “claim” as authorized by us;
 - c. Premiums for bonds required as a result of a covered “claim”, including bonds to release attachments, but only for bond amounts not exceeding the applicable Limit of Insurance.

If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer. Post-judgment interest includes interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

“Defense costs” shall not include statutory attorney’s fees or costs claimed by or awarded to a claimant as part of any judgment, award or settlement or as an item of costs; salaries, wages, benefit expenses or overhead of any of our employees or of any “insured”; or any amounts incurred in defense of any “claim” that any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

SECTION II – DEFINITIONS of this Coverage Section, the definition of C. “Damages” is deleted and replaced with the following:

- C. “Damages” means any compensatory amount any “insured” is legally obligated to pay as a result of a “claim” to which this Coverage Section applies, including judgments, awards and settlements, back pay, front pay, and statutory liquidated damages. “Damages” does not include statutory attorney’s fees or costs claimed by or awarded to a claimant as part of any judgment, award or settlement or as an item of costs.

SECTION II-DEFINITIONS, of this Coverage Section, the definition of J. “Loss” is deleted and replaced with the following:

- J. “Loss” means “damages” and “defense costs”; however, “loss” shall not include:
- 1. Any fine, penalty, taxes or sanction of any type against any “insured”;
 - 2. Statutory attorneys’ fees claimed by or awarded to a claimant as part of any judgment, award or settlement, whether as an item of costs or “damages”;
 - 3. Any matter or amount that is uninsurable by law;
 - 4. Any amount for which the “insured” is absolved from payment;
 - 5. Stock options or amounts reflecting the value of stock options;

6. Amounts owed under employment contracts, partnership, stock or other ownership agreements, or any other type of contract;
7. Severance pay;
8. Disability, social security, workers' compensation, medical, insurance, retirement or pension benefits, or settlement amounts representing benefits payments;
9. The cost to modify any premises or provide any accommodation to any disabled person;
10. The cost of instituting or conducting any program, procedure, or training;
11. The cost of instating or reinstating employment, or providing any non-monetary relief;
12. Any relief, whether pecuniary or injunctive, imposed or agreed to in connection with criminal lawsuits or proceedings; or
13. Punitive or exemplary damages, or the amount of any multiplied damages awarded that is in excess of the damage award so multiplied, even if the multiple damages are considered liquidated damages.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the federal Terrorism Risk Insurance Act, as amended ("the Act"), the Company must make available insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act. This Policy includes such coverage for damages arising out of certified acts of terrorism and is limited by the terms, conditions, exclusions, limits, other provisions of the coverage quote or renewal application/questionnaire to which this offer is attached and by the Policy, any endorsements to the Policy and generally applicable rules of law.

The term "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 to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have 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.

YOU SHOULD KNOW THAT LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM FOR WHICH THIS POLICY PROVIDES COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THE FORMULA, BEGINNING ON JANUARY 1, 2020, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE.

NO PREMIUM IS CHARGED FOR THIS COVERAGE NOR IS ANY CHARGE MADE FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT, AS WELL AS INSURERS' LIABILITY FOR LOSSES, RESULTING FROM CERTIFIED "ACTS OF TERRORISM" WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

COVERAGE FOR "INSURED LOSSES" AS DEFINED IN THE ACT IS SUBJECT TO THE COVERAGE TERMS, CONDITIONS, AMOUNTS AND LIMITS IN THIS POLICY APPLICABLE TO LOSSES ARISING FROM EVENTS OTHER THAN "ACTS OF TERRORISM".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

SCHEDULE

SCHEDULE - PART I	
Terrorism Premium (Certified Acts)	\$
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):	
Additional information, if any, concerning the terrorism premium:	

SCHEDULE - PART II

Federal Share of Terrorism Losses	80%
(Refer to Paragraph B. in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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


C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

POLICY NUMBER	POLICY CHANGES EFFECTIVE	COMPANY KINSALE INSURANCE COMPANY
NAMED INSURED		AUTHORIZED REPRESENTATIVE  President
COVERAGE PARTS AFFECTED		
CHANGES		

SPECIMEN

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

ADVISORY NOTICE TO POLICYHOLDERS

This Notice shall not be construed as part of your policy and no coverage is provided by this Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages your policy provides.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control administers and enforces sanctions policy, based on Presidential declarations of national emergency. OFAC has identified and listed numerous Foreign Agents, Front Organizations, Terrorists, Terrorist organizations and Narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site—<http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a "Specially Designated National and Blocked Person", as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments and no premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SIGNATURE ENDORSEMENT

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>	<i>Return Premium:</i>	

This endorsement modifies insurance provided under the following:

ALL COVERAGE FORMS

By signing and delivering this policy to you, we state that it is a valid contract when signed as below by our authorized representatives.



Secretary



President

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

**SUMMARY OF ICRMP PUBLIC Entity POLICY CHANGES
October 1, 2023 through September 30, 2024**

A. SECTION II, GENERAL DEFINITIONS

Item 1: A. (22.) *Personal Injury* – CLARIFY

Removed duplicitous terms already contained within “bodily injury” definition, as this removes ambiguity. (Page 4)

Item 2: A. (24.) *Pollutants* – CLARIFY

Added to the definition to include “PFAS” or Perfluoroalkyl and Polyfluoroalkyl Substances are considered a pollutant. (Page 4)

Item 3: A. (30.) *Terrorism* – CLARIFY

Amended the definition to align with program reinsurers to mirror within the policy issued to ICRMP members as this removes ambiguity. (Page 5)

B. SECTION III, GENERAL CONDITIONS

Item 1: A. (4.) *Cancellation* – CLARIFY

Added language to explain the premium refund to the member in the event of a cancellation. (Page 8)

Item 2: A. (6.) *Deductibles* – CLARIFY

Amended language to include how a percentage deductible will apply to a covered loss, as well as how the deductible(s) apply to a loss. (Page 9)

C. SECTION IV, GENERAL EXCLUSIONS

Item 1: A. (2.) *Asbestos, Dioxin, Polychlorinated Biphenyls or PFAS* – REDUCTION

Added PFAS (Perfluoroalkyl and Polyfluoroalkyls Substances) to this exclusion to remove coverage for claims related to PFAS. Additionally, expanded language to match that of reinsurers (Page 15)

Item 2: A. (3.) *Bids or Estimates* – REDUCTION

Added wording “or failure to comply with bid statutes” to align with intent of exclusion (Page 15)

Item 3: A. (9.) *Course and Scope* – CLARIFY

Removed language surrounding malice and criminal intent as its own stand-alone exclusion to remove ambiguity. (Page 16)

Item 4: A. (10.) *Criminal and Malicious Acts* – REDUCTION

Added exclusion to not cover claims resulting from an act performed with malice or criminal intent. This language was previously found in the Course and Scope exclusion and is now an exclusion on its own. (Page 16)

Item 5: A. (17.) *Fungi* – REDUCTION

Expanded the exclusion to match reinsurers exclusion language to ICRMP. (Page 18)

Item 6: A. (18.) *Hostile or Warlike* – REDUCTION

Expanded the exclusion to match reinsurers exclusion language to ICRMP. (Page 18-19)

Item 7: A. (26.) *Library Materials* – REDUCTION

Added exclusion for claims stemming from allegations of materials accessed through a library, claimed to be harmful to a minor, or in violation of any section contained in Idaho Code Title 18, Chapter 15, or any other local, state or federal law or rule. Included in this exclusion are claims brought for enforcement or compliance with state law pertaining to duties. (Page 20)

Item 8: A. (31.) *Silica* – REDUCTION

Expanded the exclusion to match reinsurers exclusion language to ICRMP. (Page 22)

D. SECTION V, PROPERTY INSURANCE

Item 1: Property Insurance – CLARIFY

Updated “limit of indemnification” to “limit(s) of insurance” (Throughout)

Item 2: Property Insurance A. 1. (2) *Debris Removal* – REDUCTION

The sublimit for debris removal is now whichever is lesser, instead of greater (Page 23)

Item 3: Property Insurance A. 1. (3) *Increased Cost of Construction* – REDUCTION

The sublimit is reduced to \$2,500,000 per occurrence (Page 23-24)

Item 4: Property Insurance A. 1. (5) *Operational Disruption Expense* – REDUCTION

The sublimit is reduced to \$500,000 per occurrence (Page 24)

Item 5: Property Insurance A. 1. (6) *Property in the Course of Construction* – REDUCTION

The sublimit is reduced to \$1,000,000 per occurrence (Page 25)

Item 6: Property Insurance A. 1. (7) *Protection and Preservation of Property* – REDUCTION

Sublimited to \$250,000 per occurrence, where it was not previously sublimited (Page 25)

Item 7: Property Insurance A. 1. (8) *Valuable Papers and Records* – REDUCTION

The sublimit is reduced to \$250,000 per occurrence (Page 25-26)

Item 8: Property Insurance A. 7. *Property in Transit* – REDUCTION

The sublimit is reduced to \$250,000 per occurrence. Amended language to include coverage for insured property while being transported by others on the named insureds behalf. ICRMP will be secondary to any insurance available to those transporting the property. (Page 26)

Item 9: Property Insurance A. 9. *Inadvertently Omitted Property* – REDUCTION

Removed coverage for Inadvertently Omitted Property. (Page 26)

Item 10: Property Insurance A. 9. *Newly Acquired Property* – REDUCTION

The sublimit is reduced to \$1,000,000 per occurrence. (Page 26-27)

Item 11: Definitions 3. *Cosmetic Damage* – CLARIFY

Added a definition to match that of the reinsurer to the program. (Page 27)

- Item 12: Definition B. 4. – Coverings and Roof-Mounted Equipment - CLARIFY**
Amended definition to align with that of the reinsurer to the program. (Page 27)
- Item 13: Definition B. 10. – Lease Interest - CLARIFY**
Amended definition to apply only to buildings and structures. (Page 28)
- Item 14: Definition B. 11. – Net Lease Interest - CLARIFY**
Amended definition to apply only to buildings and structures. (Page 28)
- Item 15: Definition B. 21. – Wind - CLARIFY**
Added definition of Wind, to mean gust or sustained wind 50 mph or more. (Page 29)
- Item 16: Conditions 2. – Borrowed Vehicles from Other Public Entities - CLARIFY**
Added condition that vehicles borrowed from other entities, for less than 90 days, need not be listed on the schedule of values.. (Page 29)
- Item 17: Conditions 4. – Deductibles - REDUCTION**
Amended to better explain how deductibles are applied to the limit of insurance and not the overall loss, including percentage deductibles. (Page 29-30)
- Item 18: Property Deductibles – Flood Type 2 - REDUCTION**
The deductible for Flood Type 2 is increased to \$50,000 per covered occurrence. (Page D-2)
- Item 19: Property Deductibles – Gymnasium Flooring - REDUCTION**
A new deductible for water damage to Gymnasium Flooring is added at 20% of the loss per covered occurrence. (Page D-2)
- Item 20: Conditions 4. e. – Gymnasium Floor - REDUCTION**
Explains when Gymnasium Floor deductible is applicable. (Page 30)
- Item 21: Property Deductibles – Hail - REDUCTION**
A new deductible for Hail is added at 5% of the loss per covered occurrence. (Page D-2)
- Item 22: Conditions 4. f. – Hail - REDUCTION**
Explains when Hail deductible is applicable. (Page 30)
- Item 23: Property Deductibles –Weight of Snow - REDUCTION**
A new deductible for Weight of Snow is added at 10% of the loss per covered occurrence. (Page D-2)
- Item 24: Conditions 4. g. –Weight of Snow - REDUCTION**
Explains when Weight of Snow deductible is applicable. (Page 30)
- Item 25: Property Deductibles – Wind - REDUCTION**
A new deductible for Wind is added at 5% of the loss per covered occurrence. (Page D-2)
- Item 26: Conditions 4. g. – Wind - REDUCTION**
Explains when Wind deductible is applicable. (Page 30)
- Item 27: Property Deductibles – Earthquake - REDUCTION**
The deductible for Earthquake is increased to \$50,000 per covered occurrence. (Page D-2)

Item 28: Property Deductibles – *Hail* - REDUCTION

A new deductible for hail damage to insured property is added at 5% of the loss per covered occurrence. (Page D-2)

Item 29: Condition C. 5. – *Earthquake* - CLARIFY

Amended this condition to clarify how the overall sublimit of earthquake coverage will apply if multiple members are impacted in one Earthquake. Earthquake limit is now shared between public entities, public education and colleges. (Page 30-31)

Item 30: Condition C. 6. – *Flood* - CLARIFY

Amended this condition to clarify how the overall sublimit of flood coverage will apply if multiple members are impacted in one Flood. Flood limit is now shared between public entities, public education and colleges. (Page 31)

Item 31: Property Limits of Insurance – *Pipes or Fittings Failure* - CLARIFY

Added this sublimit for Pipes or Fittings Failure at \$100,000 per occurrence. (D-2)

Item 32: Condition C. 7. – *Pipes or Fittings Failure* - CLARIFY

Added this condition to explain how a sublimit for Pipes or Fittings Failure applies. (Page 31)

Item 33: Condition C. 8. – *Schedule of Values* - REDUCTION

Amended this condition to explain what must be listed on the schedule of values for coverage to extend, and that if an item is listed that is excluded in the language of the policy, no coverage exists. Where previously, mobile equipment items less than \$100,000 needn't be listed individually, now that threshold is \$25,000 (Page 31-32)

Item 34: Condition C. 9. a. – *Valuation of Loss, Contents* - REDUCTION

Added this condition to clarify that the most we shall pay for loss or damage to contents inside or associated with a building or structure is up to the value of contents per location as listed on the schedule of values you have on file with us. Also added valuations clause for most we will pay will not exceed the lesser of the options listed. (Page 32)

Item 35: Condition C. 9. b. – *Valuation of Loss, Mobile Equipment, Vehicles, etc* - REDUCTION

Amended item to clarify section as to when replacement cost or actual cash values will be used depending on the purchase date of the insured property. Additionally, limited the amount payable to 110% of the stated value for that insured property using actual cash valuations. (Page 32-33)

Item 36: Condition C. 9. j. – *Valuation of Loss, All Other Insured Property* - REDUCTION

Amended this condition to clarify that we shall not pay for loss or damage in excess of 110% of the stated value per location as listed on the schedule of values you have on file with us. This applies to every building and structure, regardless of the value placed on the location. We removed condition C. 8. k., as that is no longer applicable. (Page 34-35)

Item 37: Condition C. 11. – *Wind* - REDUCTION

Added this condition to explain how the sublimit for wind damage claims will be applied, and how a loss in excess of the public entity program aggregate will be divided among affected members. (Page 35)

Item 38: Exclusion D. 2. g. – *Ground Water Seepage* - REDUCTION

Amended this exclusion to not provide coverage for physical damage caused by water or other liquid under the ground surface pressing on, or flowing or seeping through. (Page 37)

Item 39: Exclusion D. 2. h. – *Cosmetic Damage* - REDUCTION

Added new exclusion to not provide coverage for physical damage to insured property coverings and roof-mounted equipment, where the damage is only cosmetic. (Page 37)

Item 40: Exclusion D. 2. i. – *Sprinkler System Cessation* - REDUCTION

Added new exclusion to not provide coverage for physical damage to insured property, where the damage is caused by fire in which the fire suppression system or sprinkler system has been out of service or otherwise intentionally caused to cease operation. (Page 37)

Item 41: Exclusion D. 4. a. – *Service Animals* - BROADEN

Increased limit for your service animals from \$25,000 to \$30,000 per occurrence. (Page 37)

Item 41: Exclusion D. 4. i. – *Canal Tunnels* - REDUCTION

Amended exclusion to clarify intent to exclude “canal tunnels”. (Page 37)

E. SECTION VI – CRIME INSURANCE

Item 1: Insuring Agreement A. 4. – *Notary Public*– CLARIFY

Amended this insuring agreement to remove “Policy in Lieu of Public Officials Surety Bond”. No change has been made to coverage; rather, we removed this language because there’s no need for an insuring agreement for the Public Officials Surety Bond, as the Crime Insurance provided is “in lieu of” the Bond. Instead, the only item remaining here is coverage for Notary Public and is the same as it was in prior year. (Page 39)

F. SECTION VIII – GENERAL LIABILITY

Item 1: Exclusion C. 1. t. – *Prescribing Medication* – REDUCTION

Added this exclusion to clarify that claims involving the prescription of medication are not covered. (Page 50)

G. SECTION IX, LAW ENFORCEMENT LIABILITY INSURANCE

Item 1: Definition B. 1. – *Personal Injury* – CLARIFY

Amended this definition to remove components that are found in the definition of Bodily Injury, as Bodily Injury is included in the definition already. (Page 51)

H. SECTION XII, EMPLOYMENT PRACTICES LIABILITY INSURANCE

Item 1: Exclusion D. 1. f. – *Bodily Injury* – BROADEN

Amended this exclusion to exclude bodily injury instead of personal injury. (Page 58)

I. SECTION XV, ENDORSEMENTS

Item 1: #1 Pollutants Amendatory Endorsement. – CLARIFY

Amended the name of the endorsement to better communicate this endorsement's coverage.
(Page 64)

Item 2: #2 Cyber Privacy or Security Event Endorsement. – REDUCTION

Placed sublimits of \$500,000 on Privacy Response Expenses, Regulatory Proceedings & Penalties and PCI-DSS Assessments, where they were previously included in the overall \$1,000,000 limit.

(Pages D-2; 65-74)

FY'24 Carryforward

Checking account balance as of 12/31/23	8,171.28
ICS account balance as of 12/31/23	<u>1,281,270.93</u>
Available Liquid Funds	<u><u>1,289,442.21</u></u>
Required for Accounts Payable	9,640.89
Reserved for Restricted Funds	179,200.66
Approximate Expenditures for January 2024. Anderson Bros. CPA July 18, 2023 memo from Toni Hackwith: Average daily expenses = \$13,610 @ 120 days	408,300.00
FY'23 Budgeted Projects/Expenditures not Completed yet Parking Lot Sealing and Striping at Hayden and Pinehurst	18,806.00
Carryforward Assigned to FY'24 Budgeted Capital Projects - Harrison	56,000.00
Restricted Carryforward Funds	<u>671,947.55</u>
Available to Assign to Expenditures or Emergencies	<u><u>617,494.66</u></u>
<p>Best Practices for Approximately 2 additional months for emergencies. Anderson Bros. CPA July 18, 2023 memo from Toni Hackwith: Average daily expenses = \$13,610 @ 60 days</p>	
	816,600.00
Amount Short	(199,105.34)

Community Library Network
Balance Sheet - 25.00% of Time Elapsed
December 31, 2023

UNAUDITED

ASSETS

Current Assets

MTN WEST-CK BK	\$ 8,171.28
ACCTS REC	86,626.19
PROPERTY TAX RECEIVABLE	<u>486,528.00</u>

Total Current Assets **581,325.47**

Property and Equipment

LAND	268,512.00
LAND IMPROVEMENTS	53,045.23
ART	8,785.00
BUILDINGS	9,163,053.62
VEHICLES	478,300.94
EQUIP & FURNITURE	352,516.93
COLLECTIONS	5,127,103.77
ACCUM DEPREC	<u>(8,917,774.79)</u>

Total Property and Equipment **6,533,542.70**

Other Assets

MNT WEST MMK - HENDERSON FUND	5,476.04
ICS	<u>1,281,270.93</u>
CARRF	599,313.16
CARRF - CDARS	234,701.06
MNT WEST MMK-PINEHURST BEQUEST	134,860.33
AMT TO PROV FR LONG TERM DEBT	<u>101,575.49</u>

Total Other Assets **2,357,197.01**

Total Assets **\$ 9,472,065.18**

LIABILITIES AND NET ASSETS

Current Liabilities

ACCTS PAYABLE	\$ 9,640.89
ACCRUED PAYROLL	48,146.00
ACCRD ANNL LV	101,575.65
BOND INT PAYABLE	<u>5,659.48</u>

Total Current Liabilities **165,022.02**

Long-Term Liabilities

BONDS PAYABLE	520,000.00
PREM ON BNDS PAY	489.31
DEFERRED PROPERTY TAX REVENUE	<u>468,102.00</u>

Total Long-Term Liabilities **988,591.31**

Total Liabilities **1,153,613.33**

Community Library Network
Balance Sheet - 25.00% of Time Elapsed
December 31, 2023

UNAUDITED

NET ASSETS

NET INVEST IN FIXED ASSETS	5,942,228.51
NET ASSETS-UNRESTRICTED	3,170,953.98
RESTR NET ASSETS	326,865.44
NET INCOME	<u>(1,121,596.08)</u>

Total Net Assets **8,318,451.85**

Total Liabilities & Net Assets **\$ 9,472,065.18**

FY'24 Carryforward

Checking account balance as of 9/30/23	20,466.24
ICS account balance as of 9/30/23	<u>2,456,304.39</u>
Available Liquid Funds	<u><u>2,476,770.63</u></u>
Required for Accounts Payable - FY'23 Expenses not paid yet	56,350.48
Reserved for Restricted Funds	186,664.85
FY'24 First 4 Months Approximate Expenditures. Anderson Bros. CPA July 18, 2023 memo from Toni Hackwith: Average daily expenses = \$13,610 @ 120 days	1,633,200.00
FY'23 Budgeted Projects/Expenditures not Completed yet Parking Lot Sealing and Striping at Athol and Hayden	18,000.00
Carryforward Assigned to FY'24 Budgeted Capital Projects - Harrison	56,000.00
Restricted Carryforward Funds	<u>1,950,215.33</u>
Available to Assign to Expenditures or Emergencies	<u><u>526,555.30</u></u>
<p>Best Practices for Approximately 2 additional months for emergencies. Anderson Bros. CPA July 18, 2023 memo from Toni Hackwith: Average daily expenses = \$13,610 @ 60 days</p>	
	816,600.00
Amount Short	(290,044.70)

Community Library Network
Balance Sheet - 100.00% of Time Elapsed
September 30, 2023

ASSETS

Current Assets

MTN WEST-CK BK	\$ 20,466.24
ACCTS REC	88,275.90
PROPERTY TAX RECEIVABLE	<u>486,528.00</u>

Total Current Assets **595,270.14**

Property and Equipment

LAND	268,512.00
LAND IMPROVEMENTS	53,045.23
ART	8,785.00
BUILDINGS	9,163,053.62
VEHICLES	478,300.94
EQUIP & FURNITURE	336,578.17
COLLECTIONS	5,127,103.77
ACCUM DEPREC	<u>(8,917,774.79)</u>

Total Property and Equipment **6,517,603.94**

Other Assets

MNT WEST MMK - HENDERSON FUND	5,474.67	*
ICS	<u>2,456,304.39</u>	
CARRF	596,523.41	
CARRF - CDARS	234,701.06	
MNT WEST MMK-PINEHURST BEQUEST	134,725.92	*
AMT TO PROV FR LONG TERM DEBT	<u>101,575.49</u>	

Total Other Assets **3,529,304.94**

Total Assets **\$ 10,642,179.02**

LIABILITIES AND NET ASSETS

Current Liabilities

ACCTS PAYABLE	\$ 56,350.48
Accrued Payroll	48,146.00
ACCRD ANNL LV	101,575.65
BOND INT PAYABLE	<u>5,659.48</u>

Total Current Liabilities **211,731.61**

Long-Term Liabilities

BONDS PAYABLE	520,000.00
PREM ON BNDS PAY	489.31
DEFERRED PROPERTY TAX REVENUE	<u>468,102.00</u>

Total Long-Term Liabilities **988,591.31**

Total Liabilities **1,200,322.92**

NET ASSETS

NET INVEST IN FIXED ASSETS	5,942,228.51	
NET ASSETS-UNRESTRICTED	3,018,619.51	
RESTR NET ASSETS	326,865.44	Less * = 186,664.85
NET INCOME	<u>154,142.64</u>	

Total Net Assets **9,441,856.10**

Total Liabilities & Net Assets **\$ 10,642,179.02**

7. CHANGES IN AND SEPARATION FROM EMPLOYMENT

7.1. Reductions in Force (RIF)

When financial circumstances or changes of workload are required, the Board reserves the right to reduce forces in such manner as it deems necessary to maintain the effective functioning of Community Library Network services. Decisions about the functions to be reduced are not subject to the appeal procedure established by the District.

7.2. REINSTATEMENT PREFERENCE

Employees who leave District employment due to a reduction in force will retain a first right to return in the event of work force rebuilding for one year from the date of their separation. Employees will retain a preference only for work for which they are fully qualified.

What is the difference between a furlough, a layoff and a reduction in force?

These are all types of cost-saving employment actions that are commonly misunderstood because the words are often used interchangeably when their meanings are actually different. Below are general descriptions of these terms; however, it is important to point out that not everyone will use these terms to mean the same thing. Understanding the context of the specific circumstances is more important than the term being used. This applies not only when communicating employment actions to employees but also when complying with legal requirements such as those under the WARN Act or state termination pay, or for purposes of responding to unemployment claims.

Furloughs

A furlough is a mandatory temporary leave of absence from which the employee is expected to return to work or to be restored from a reduced work schedule. Furloughs are often used when the employer does not have enough cash for payroll (for example, government shutdowns due to lack of budget approval) or when there is not enough work for all employees during a slow period and, by reducing employee schedules, the employer can avoid terminating employees.

Furloughed employees may be required to take a certain number of unpaid hours off over a number of weeks, take a specified number of unpaid days or hours throughout the year, or take a single block of unpaid time off. For example, an employer may furlough its nonexempt employees one day a week for the remainder of the year and pay them for only 32 hours instead of their normal 40 hours each week. Another example of furlough is to require all employees to take several weeks of unpaid leave sometime during the year.

Employers must be careful when [furloughing exempt employees](#) so that they continue to pay them on a salary basis and do not jeopardize their exempt status under the Fair Labor Standards Act (FLSA). A furlough that encompasses a full workweek is one way to accomplish this, since the FLSA states that exempt employees do not have to be paid for any week in which they perform no work.

Depending on the specific circumstances, furloughed employees may be able to continue benefits coverage and also collect unemployment insurance for the reduction in the time worked.

Layoffs

A layoff is generally considered a separation from employment due to a lack of work available. The term "layoff" is mostly a description of a type of termination in which the employee holds no blame. An employer may have reason to believe or hope it will be able to recall workers back to work from a layoff (such as a restaurant during the pandemic), and, for that reason, may call the layoff "temporary," although it may end up being a permanent situation.

To encourage laid-off employees to remain available for recall, some employers may offer continued benefits coverage for a specified period of time if the benefit plan allows. Most laid-off workers will typically be eligible to collect unemployment benefits.

The term layoff is often mistakenly used when an employer terminates employment with no intention of rehire, which is actually a reduction in force, as described below.

Reduction in Force

A reduction in force (RIF) occurs when a position is eliminated with no intention of replacing it and results in a permanent cut in headcount. An employer may decide to reduce its workforce by terminating employees or by means of attrition. In some circumstances, a layoff may turn into a RIF when a permanent decision is made to not recall employees.