City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:	October 6, 2025	Staff Member/Dept:	Trent Donat/Administration

Agenda Item: Recommendation to approve Purchase Order 26021 with ICRMP for renewal of City Public Entity Multi-Lines Insurance Policy.

Recommended Motion:

"I move to authorize the Mayor to sign Purchase Order 26021, approving the annual cost to renew the City Public Entity Multi-Lines Insurance Policy with ICRMP.

Reasons for Recommendation:

- Idaho Counties Risk Management Program (ICRMP) and its staff provide Idaho City Policy Holders with direct access to Sales, Claims, and Service functions.
- The premium decreased from approximately $264,529 in 2024-2025 to approximately $209,187 for 2025-2026 with a substantial portion of the decrease due to the elimination of Fire Department insurable assets now insured under the new fire district.
- ICRMP has implemented new mid-term premium invoicing which means ICRMP will analyze the total insured value of each member's property schedules each quarter and bill the pro-rated premium for those additional values once they cumulatively meet or exceed $5,000,000 since the last time the property values were charged a premium.
    - Change due to reinsurance market that has become more restrictive in coverage and limits, while becoming more expensive at the same time.

Sustainability Impact:

N/A

Financial Impact:

Adequate funds exist in the '25-26 Budget. Payment is required for insurance renewal (minimum or in full).	• GL's - 01-4150-4600, 63-4340-4600, 65-4350-4600 • Minimum payment = $104,593.50, Total Annual Premium - $209,187

Attachments:

1. 2025-2026 Multi Lines Policy
2. ICRMP 2025-2026 Public Entity Policy_Redline
3. Summary of Policy Changes 2025-2026
4. ICRMP's New Mid-Term Premium Invoicing
5. Invoice
6. Purchase Order 26021

ICRMP

Policy Year

2025-2026

PUBLIC ENTITY

Multi-Lines Insurance Policy

Issued for:

City of Ketchum

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

August 29, 2025

TO: City of Ketchum

RE: Terrorism Coverage for Policy Year Effective October 1, 2025

Dear Valued ICRMP Member:

Following the events of September 11, 2001, the nation's largest insurers took their case to Congress concerning their ability to withstand the financial consequences of additional terrorist acts that might take place on American soil. As a consequence, Congress enacted the Terrorism Risk Insurance Act (TRIA) that is intended to protect insured property owners by assuring that their property insurers are not overwhelmed by terrorism-driven claims. Local government risk sharing pools generally were excluded from TRIA.

Because ICRMP is regulated under Idaho law as a reciprocal insurer, federal law requires ICRMP to offer complete terrorism property coverage to its Members. In accordance with the Terrorism Risk Insurance Act, as extended on December 26, 2007, we are required to offer you coverage of all of the property we insure that your entity lists on our schedule of values against any "certified act of terrorism". We are providing property coverage by including the peril of terrorism as a cause of loss in Section V-Property of your renewal policy.

This is your ***formal notice*** as required by Federal Law and disclosure that there is not an additional premium for this coverage. The Terrorism Risk Insurance Act, as extended on December 26, 2007 by the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA), is a U.S. Treasury Department program under which the federal government would share, with regulated insurance carriers, the risk of loss from terrorist attacks. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, certifies that an event meets the definition of a "certified act of terrorism". Certified acts of terrorism can also include foreign or domestic acts of terrorism, but they still must be certified as such by the Federal officers listed above.

Sincerely,

Justin Nyquist
Underwriting Manager

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:	**City of Ketchum**
Address:	**PO Box 2315** **Ketchum, Idaho 83340**
Application Date:	**August 1, 2025**
Policy Number:	**45A02097100125**
Policy Period:	**From: October 1, 2025** **To: October 1, 2026**
	Both dates above at 12:01 AM
Member Contribution:	**$209,187**

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 ICRMP members collectively.

Insuring Agreements	*Limit of Insurance*	*Coverage Basis*	*Deductible*
Buildings, Structures & Property, Mobile Equipment and Vehicle Physical Damage			
Sublimits:			
Claim Preparation Fees & Expenses	$100,000	Per covered occurrence.	The first $1,500 per covered occurrence for Physical Damage to Automobiles or Mobile Equipment, or the first $10,000 per covered occurrence for loss/ damage to buildings, structures, contents, or property in the open Service Animals: The first $1,500 per covered occurrence Earthquake: The first $50,000 per covered occurrence. Flood Type 1: The first $500,000 per building and first $500,000 per contents per covered occurrence. For NFIP Emergency Program first $100,000. Flood Type 2: The first $50,000 per covered occurrence. Gymnasium Floor: The first 20% of the loss caused by water per covered occurrence. Weight of Snow, Hail, Pipes & Fittings Failure: The first 10% of the loss per covered occurrence
Debris Removal	$1,000,000 or 25% of damage, whichever is less	Per covered occurrence.	
Earthquake	$50,000,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP members' claims combined in this policy year.	
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.	
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 1	$12,500,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP members' claims combined in this policy year.	
Flood Type 2	$50,000,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP members' claims combined in this policy year.	
Ordinance or Law	$1,000,000 or 25% of the stated value, whichever is less	Per covered occurrence.	
Landscape Items	$25,000	Per covered occurrence.	
Newly Acquired Property	$2,500,000/120 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.	
• Income Loss	$500,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Data Restoration	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Extra Expense	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Expediting Expense	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Leasehold Interest	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
Property in Course of Construction	$2,500,000	Per covered occurrence.	
Property in Transit	$1,000,000	Per covered occurrence and/or in the aggregate for multiple occurrences in this policy year.	
Protection & Preservation of Property	$250,000	Per covered occurrence.	
Service Animals	$30,000	Per covered occurrence.	
Small Unmanned Aircraft	$50,000	Per covered occurrence.	
Valuable Papers and Records	$1,000,000	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.	
Vehicles & Mobile Equipment	$1,500,000	Per item per covered occurrence when travelling over the road and no more than $10,000,000 for multiple items per occurrence while not in use or stationary.	

---------- 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	$3,000,000	$2,000,000	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	$3,000,000	$2,000,000	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				
1. *Law Enforcement Liability*	$500,000	$3,000,000	$2,000,000	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 *CLAIMS MADE COVERAGE* *Retroactive Date:* ***October 1, 2009*** *1. Errors & Omissions Liability*	$500,000	$3,000,000	$2,000,000	Per covered claim.
EMPLOYEE BENEFITS LIABILITY – SECTION XI *CLAIMS MADE COVERAGE* *Retroactive Date:* ***October 1, 2009*** *1. Employee Benefits Liability*	$500,000	$3,000,000	$2,000,000	Per covered claim.
EMPLOYMENT PRACTICES LIABILITY – SECTION XII *CLAIMS MADE COVERAGE* *Retroactive Date:* ***October 1, 2009*** *1. Employment Practices Liability*	$500,000	$3,000,000	$2,000,000	Per covered claim. Deductible applies as follows: the first $20,000 per covered claim as detailed within the coverage section.
SEXUAL MOLESTATION/SEXUAL ABUSE LIABILITY – SECTION XIII *CLAIMS MADE COVERAGE* *Retroactive Date:* ***October 1, 2010*** *1. Sexual Molestation/Sexual Abuse Liability*	$500,000	$3,000,000	$2,000,000	Per covered claim.
CHEMICAL SPRAYING ACTIVITITES LIABILITY – SECTION XIV *CLAIMS MADE COVERAGE* *Retroactive Date:* ***October 1, 2009*** *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, XII, XIII, XIV, AND XV COMBINED IS **$5,000,000**

---------- 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 $1,500 of any loss for Endorsement #1.
#2 –Security & Privacy Liability Endorsement CLAIMS MADE COVERAGE Retroactive Date: **October 1, 2025**	$1,000,000	Included in indemnification limit	Per Covered claim and $10,000,000 in the aggregate annually. Aggregate is shared among all ICRMP members collectively insured for Security & Privacy Liability for multiple claims.	The first $10,000 of any loss and 12 hours waiting period for Endorsement #2.
Sublimits: *Security &* Privacy Incident Response Expenses Business Interruption Data Recovery Regulatory Proceedings	 $500,000 $500,000 $500,000 $500,000		 Each Sublimit Per Covered claim and $10,000,000 in the aggregate annually. Aggregate is shared among all ICRMP members collectively insured for Security & Privacy Liability for multiple claims.	
Cyber Extortion	$50,000		Cyber Extortion is $50,000 Per Covered Claim and/or in the aggregate for multiple claims.	
Social Engineering Financial Fraud	$100,000		Social Engineering Fraud is $100,000 Per Covered Claim and/or in the aggregate for multiple claims.	
#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.	
#6 – Equipment Breakdown Endorsement 1. Spoilage 2. Property Damage 3. Expediting Expense 4. Extra Expense Only 5. Hazardous Substance 6. Refrigerant Contamination 7. Data and Media 8. Ordinance or Law 9. Newly Acquired Premises 10. Errors and Omissions 11. Loss Adjustment Expenses	 $1,000,000 INCLUDED $1,000,000 $1,000,000 INCLUDED $1,000,000 INCLUDED $100,000,000 INCLUDED INCLUDED $25,000	Not applicable	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 indemnification combined with all ICRMP members collectively.	The first $10,000 of any loss for Endorsement #6. The first 24 hours for Utility Interruption.
#7 – Attorney Consultation Reimbursement Amendatory Endorsement	$0	$2,500	Per covered claim and $50,000 in the aggregate for multiple claims.	
#8– Active Assailant Amendatory Endorsement	$50,000 $100,000	Not applicable	Per covered incident. In the aggregate for multiple incidents.	
#9 – Terrorism First Party Property Endorsement	$150,000,000	Not applicable	Per covered occurrence and in the aggregate annually. Aggregate shared among all ICRMP members collectively insured for Terrorism First Party Property Endorsement for multiple claims	The first $10,000 of each claim for endorsement #9.

ANNUAL AGGREGATE INDEMNIFICATION LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XII, XIII, XIV, AND XV COMBINED IS **$5,000,000**

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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***, ***small unmanned aircraft*** 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 waste, and unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead), 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. **"Small Unmanned Aircraft "** means an unmanned aircraft weighing less than 55 pounds on takeoff, including everything that is on board or otherwise attached to the aircraft. An unmanned aircraft is an aircraft operated without the possibility of direct human intervention from within 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. 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;

               2. Acts or omissions on ***your*** part which increase any hazard insured against;

               3. 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;

4. Loss of or decrease in reinsurance which provided ***us*** with coverage for all or part of the risk insured;

5. 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

6. 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 specified in the declarations page within this section. We will then pay the amount of loss or damage in excess of the applicable deductible, up to the limit of insurance.

a. Unless otherwise stated, if more than one deductible amount applies to loss or damage in any one covered ***occurrence***, the highest deductible amount applies; 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 insured involved 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.

   f. First-party property damage or loss notices shall be reported by ***you*** to ***us*** within one (1) year from the date of loss or damage that was known or should have been known for coverage to be afforded.

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 insurance 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*** directly or 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, 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. However, this exclusion does not apply in claims where members have complied with all provisions within Idaho Code §18-1517B.

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, 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 insurance provided below 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 as listed on the declarations page. 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 in the Open.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** against direct physical loss of or direct physical damage, including, ***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 as listed on the declarations page.

      (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 as listed on the declarations page.

      (3) **Ordinance or Law.** 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. Compliance with ordinance or law expenses is limited as listed on the declarations page. 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:

i. Demolish the physically undamaged portion of such property insured; and

ii. 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:

i. The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or

ii. 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 as listed on the declarations page.

(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 as listed on the declarations page and includes all sublimits as listed below. The following items apply, sublimited as listed on the declarations page:

a. The maximum amount we will pay for any one occurrence or in the aggregate for multiple occurrences for income loss is listed on the declarations page. This will be limited to your actual loss of income after deduction for expenses avoided because of the disruption. This will only extend for the period of restoration, and only if you repair or replace the damaged or destroyed insured property. In addition, this provides income loss from:

i. Civil or military authority that prohibits access to your insured property, provided that access to the area immediately surrounding your damaged property is prohibited by civil or military authority as a result of the damage, and your insured property are within that area but are not more than 5 miles from the damaged property and the action of civil or military authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the covered cause of loss that caused the damage, or the action is taken to enable a civil or military authority to have unimpeded access to the damaged property. If income loss is caused by civil or military authority action, coverage will not start until 72 hours after the time of the first action of civil or military authority that prohibits access to your insured property and will apply for a period of up to sixty days from the date on which such coverage began; or

ii. Ingress to or egress from your insured property that is prevented (other than civil or military authority) because of direct physical loss or damage to your insured property and you incur income loss due to the necessary suspension of your operations during the period of restoration. This will apply for up to 30 consecutive days from the date when the ingress or egress is first prevented.

iii. Loss of income does not include loss of funding or grants from a governmental or private entity, foundation, or person.

b. The maximum amount we will pay for any one occurrence or in the aggregate for multiple occurrences for 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*** is listed on the declarations page.

c. The maximum amount we will pay 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 is listed on the declarations page. This does not cover costs recoverable elsewhere in this section or of permanent repair or replacement of damaged property.

d. The maximum amount we will pay for leasehold interest loss because of physical loss or damage to ***your insured property*** is listed on the declarations page, and is subject to the following:

   i. If the lease agreement requires continuation of rent; and if the property is wholly untenantable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenantable or unusable, the proportion of the rent payable for the unexpired term of the lease.

   ii. 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.

   iii. 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.

   iv. In addition, there is no coverage for ***your*** loss of leasehold interest directly resulting from damage to contents or personal property.

e. The maximum amount we will pay for extra expenses above ***your*** normal operations after physical loss or damage to ***your insured property*** and is for the reasonable and necessary extra costs ***you*** incur for the following during the ***period of restoration*** is listed on the declarations page:

   i. Extra expenses to temporarily continue as nearly as normal as practicable the conduct of ***your*** operation and extra costs of temporarily using other property for ***your*** facilities;

   ii. Less any value remaining at the end of the ***period of restoration*** for property obtained in connection with the above.

   iii. Extra expenses to temporarily continue as nearly as normal as practicable the conduct of your operation and extra costs of temporarily using other property for ***your*** facilities in response to civil or military authority that prohibits access to ***your insured property***, provided that access to the area immediately surrounding your damaged property is prohibited by civil or military authority as a result of the damage, and ***your insured property*** are within that area but are not more than 5 miles from the damaged property and the action of civil or military authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the covered cause of loss that caused the damage, or the action is taken to enable a civil or military authority to have unimpeded access to the damaged property. Extra expenses caused by civil or military authority action will end sixty (60) days after the date of that action.

f. Extra expense does not cover:

   i. Any loss of income.

   ii. Costs that normally would have been incurred in conducting the operation during the same period had no physical loss or damage occurred.

   iii. Cost of permanent repair or replacement of ***your insured property*** that has been damaged or destroyed.

iv. Any expense recoverable elsewhere in this section.

(6) **Property in the Course of Construction.** This additional coverage provides for new buildings or additions in the course of construction up to a per occurrence limit as listed on the declarations page for structures 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.*** Coverage ends when the policy cancels or expires. ***We*** will charge additional premium for buildings or structures added on the ***schedule of values*** from the date construction begins or ***you*** acquire the property.

(7) **Protection and Preservation of Property.** This additional coverage provides for reasonable and necessary costs incurred up to a per occurrence limit as listed on the declarations page 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, as listed on the declarations pages, for any one ***occurrence*** or in the aggregate for multiple ***occurrences*** 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 listed on the declarations page 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. **Asbestos Cleanup and Removal.** This provides coverage to extract asbestos from land or water at the described premises if the release of asbestos is caused by or results from a covered claim. This coverage does not apply to costs to test for, monitor, or assess the existence, concentration, or effects of asbestos. The most we will pay under this coverage is listed on the declarations page for the sum of all covered expenses arising out of the loss occurring during the policy period.

3. **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, ***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. The most ***we*** will pay in any one ***occurrence*** is listed on the declarations page when the ***vehicle*** or ***mobile equipment*** is travelling over the road. Further, the most ***we*** will pay is listed on the declarations page for all ***vehicles*** or ***mobile equipment*** items while not in use or stationary.

4. **Landscaping Items.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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 listed on the declarations page.

5. **Property of Employees or Volunteers**. ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***earth movement***, and ***flood*** for damage to ***your*** employee or volunteer-owned personal property located within ***insured property*** up to a per ***occurrence*** limit as listed on the declarations page. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.

6. ***Vehicles*** **or** ***Mobile Equipment*** **Owned by Employees or Authorized Volunteers.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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 as listed on the declarations page. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.

7. **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.

8. **Property in Transit.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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 as listed on the declarations page. 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.

9. **Small Unmanned Aircraft**. ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***earth movement*** and ***flood*** as listed on the declarations page for physical damage to ***small unmanned aircraft*** weighing less than 55 pounds on takeoff, including everything that is on board or otherwise attached to the aircraft, and flying at or below 400 feet above ground level, and incapable of travelling more than 100 miles per hour.

10. **Newly Acquired Property.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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 as stated in the declarations pages. ***We*** will invoice additional premium for buildings or structures added on the schedule of values from the date construction begins or you acquire the property.

B. <u>Definitions Applicable to Property Insurance Provided</u>

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, Al — 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.

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:

i. Pay its chosen appraiser; and

ii. Bear equally the other expense of the appraisal and umpire.

iii. 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 details 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 highest deductible amount applies; 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:

i. 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.

ii. 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***.

iii. 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.

iv. 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. Pipes or Fittings Failure: For covered losses to ***insured property*** resulting from pipes or fittings failure, regardless of the cause of loss contributing to the damage, the deductible shall be a percentage of loss as stated on the declarations page at the beginning of this policy.

h. 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.

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 as listed on the declarations page 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 as listed on the declarations page for each occurrence of Flood Type 2, and 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. **Schedule of Values.**

   a. All ***vehicles***, watercraft, buildings, property in the open, 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, small unmanned aircraft*** and watercraft with an individual value greater than $25,000 must be identified in the ***schedule of values***.

   c. All other ***mobile equipment, small unmanned aircraft*** 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**.**

8. **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:

      i. The cost to repair contents;

ii. The cost to rebuild or replace contents on the same site with new materials that are like size, kind and quality;

iii. The selling price of machinery and equipment, other than stock, offered for sale on the date of loss;

iv. 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.

v. The unamortized value of improvements and betterments to contents, if such property is not repaired or replaced at ***your*** expense; or

vi. The ***actual cash value*** if such contents is:

(1) Useless to ***you***; or

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

viii. ***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, ***small unmanned aircraft***, and ***vehicles:***

i. For ***mobile equipment***, watercraft, ***small unmanned aircraft*** or ***vehicles*** purchased within the last 12 months from the date of loss, we will pay the lessor of cost to repair or the original purchase price of the totaled ***mobile equipment,*** watercraft, ***small unmanned aircraft,*** or ***vehicles***.

ii. For ***mobile equipment***, watercraft, ***small unmanned aircraft*** or ***vehicles*** that were purchased greater than 12 months from the date of loss, ***we*** will pay 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.

iii. If ***mobile equipment***, watercraft, ***small unmanned aircraft*** or ***vehicles*** are not repaired or replaced, ***we*** will pay no more than the ***actual cash value***.

iv. For ***mobile equipment***, watercraft, ***small unmanned aircraft*** 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,

v. In addition to above, all reasonable and necessary recovery, towing and storage costs.

c . Stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.

d. Property in transit:

i. 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.

ii. 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.

iii. 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. Roofs or sections of roofs more than twenty (20) years old, in the event of loss or damage to roofs or sections of roofs, as evidenced by actual documentation of installation, the loss or damage shall be valued at the time and place of the loss on an actual cash value basis determined as follows:

i. Actual cash value equals the replacement cost times the remaining useful life factor (R). The remaining useful life factor is calculated by the following formula: R = U/N.

(1) Where N = The normal useful life of the roof based on the manufacturer's design life expectancy.

(2) Where U = The length of time the roof was in use at the time of the loss.

(3) Where R = The remaining useful life factor at the time of the loss.

Replacement cost shall not exceed the actual cost to repair or replace the property with material of like kind and quality within a reasonable time after loss. The minimum residual value assigned to damaged roofs or section of roofs shall be set at 10%.

f. 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.

g. Raw materials, supplies and other merchandise not manufactured by ***you***:

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

ii. If not repaired or replaced, the ***actual cash value***.

h. ***Fine arts*** articles, the lesser of and not to exceed the per occurrence and/or in the aggregate limit as listed on the declarations page, only if the item cannot be replaced with other like kind and quality:

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

ii. Cost to replace the article; or

iii. Current market value at time of loss.

iv. 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***.

i. ***Valuable Papers and Records***, and ***Electronic Data and Media***.

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

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

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

ii. On all other ***Valuable Papers and Records***, and ***Electronic Data and Media***, the lesser of the following:

(1) 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;

(2) The cost to replace the item.

j. ***Vacant Property***:

i. 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:

(1) Vandalism

(2) Sprinkler leakage

(3) Building glass breakage

(4) Water damage

(5) Theft, or attempted theft

ii. 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%.

k. 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:

i. The cost to repair;

ii. The cost to rebuild or replace on the same site with new materials that are like size, kind and quality;

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

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

v. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.

vi. The increased cost of demolition, if any, resulting from loss covered by this section, if such property is scheduled for demolition;

vii. The unamortized value of improvements and betterments, if such property is not repaired or replaced at ***your*** expense; or

viii. The ***actual cash value*** if such property is:

(1) Useless to ***you***; or

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

(3) ***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.

9. ***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.*** Third party loss of use claims are also covered for up to ninety (90) days.

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***:

      i. Including theft of cash, securities, or other negotiable instruments, however described; or

      ii. 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

      iii. 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:

i. Incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;

ii. 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:

i. Foundations, walls, floors, or paved surfaces; or

ii. Basements, whether paved or not; or

iii. 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:

i. Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or

ii. Requiring the demolition of any property, including the cost in removing its debris; or

iii. 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 the per ***occurrence*** limit as listed on the declarations page, 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 and casings, 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:

i. The giving or surrendering of money or securities in any exchange or purchase;

ii. Accounting or arithmetical errors or omissions;

iii. Manuscripts, books of account, or records; or

iv. 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:

i. The giving or surrendering of money or securities in any exchange or purchase;

ii. Accounting or arithmetical errors or omissions; or

iii. 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:

i. The contract of the named insured with said armored motor vehicle company;

ii. Insurance carried by said armored motor vehicle company for the benefit of users of its services; and

iii. 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:

i. any dishonest, fraudulent, criminal, libelous, slanderous or malicious act or omission of any insured;

ii. Willful or intentional disregard of the law;

iii. Bodily injury to, or sickness, disease or death of any person, including but not limited to, emotional or mental distress and related conditions;

iv. Injury to or destruction of any tangible property, including the loss of use thereof;

v. Fines or penalties imposed by law on any insured;

vi. Punitive, treble, exemplary, or similarly categorized damages, including fines and penalties; or

vii. 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 Pay*m*ents.** ***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:

      i. 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

      ii. 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:

i. Physical contact by any ***small unmanned aircraft*** with any other ***aircraft***, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or

ii. Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies, and standards with respect to any ***small unmanned aircraft*** including any amendment or addition to such regulations, certifications, rules, procedures, policies, and standards; or

iii. Knowingly not complying with any other federal, state, or local laws and regulations with respect to any ***small unmanned aircraft***, 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:

i. 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;

ii. The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (i) above.

iii. 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:

i. When all of the work has been completed;

ii. When all of the work to be done at the site has been completed; or

iii. 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***:

      i. Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.

      ii. 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***.

      iii. 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.

      iv. 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 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, 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 adequately supply public utilities services including but not limited to gas, oil, water, electrical power, fuel, steam, biofuel, internet, or any other utilities.

j. Any ***sexual molestation or sexual abuse wrongful act.***

k. Physical contact by any ***small unmanned aircraft*** 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 ***small unmanned aircraft***, 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 ***small unmanned aircraft***, 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***:

      i. Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.

      ii. 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***.

      iii. 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 ***small unmanned aircraft*** 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 ***small unmanned aircraft*** 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 ***small unmanned aircraft***, 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

   i. The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (1) above.

   ii. 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. The failure to adequately supply public utilities services including but not limited to gas, oil, water, electrical power, fuel, steam, biofuel, 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 ***small unmanned aircraft*** 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 ***small unmanned aircraft*** 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 ***small unmanned aircraft***, 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, engineer or accountant to any person or entity other than the ***named insured.***

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 XII – EMPLOYMENT PRACTICES LIABILITY INSURANCE

CLAIMS MADE ONLY

A. Employment Practices 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. **Employment Practices 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*** by or on behalf of a volunteer, employee***,*** former employee or applicant for employment 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 employment practice act***. For this insuring agreement, two or more ***claims*** arising out of a single ***wrongful employment practice act*** shall be treated as a single ***claim***.

B. Definitions Applicable to Employment Practices Liability Insuring Agreement

The following definition is applicable to this section only. It 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 employment practice 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. A ***claim*** shall include complaints filed with the Idaho Human Rights Commission (IHRC) and the Equal Employment Opportunity Commission (EEOC). A ***claim*** also includes employment contract ***claims*** premised upon implied employment contracts.

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.

C. Specific Conditions Applicable to Employment Practices 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. **Retroactive Date**. All ***wrongful employment practice 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.***

2. **Deductible**. Any ***claim*** for ***damages*** brought forth under this coverage section by any employee directly or indirectly reporting to ***you*** relating to personnel-related actions or omissions shall have the deductible apply as set forth below. This deductible applies for any ***claim*** arising out of wrongful termination, constructive discharge, ***retaliation***, suspension, failure to appoint or re-appoint, breach of employment contract, violation of due process rights relating to employment and/or any other constitutional or statutory rights, unlawful ***discrimination***, ***employment sexual harassment, employment harassment*** of any type, assault, battery, and/or any ***claim*** resulting from or related to any type of unlawful or unfair employment practice. This deductible applies whether the alleged ***damages*** arise from negligent, intentional or any other type of otherwise wrongful conduct. ***You*** will be responsible for the below referenced deductible of any settlement, judgment, or legal defense costs paid by ***us*** on ***your*** behalf with respect to any employment practices liability ***claims*** filed against ***you***. However, this deductible will be waived if ***you*** consult with ***us*** before such

employment action, and followed all reasonable advice provided by ***us*** or an attorney assigned by ***us*** with respect to such employment action. The referenced deductible amount will be billed to ***you*** by ***us*** for any settlement, judgment or legal defense costs paid as the ***claim*** progresses. For each and every ***claim*** filed related to this coverage as detailed above, the deductible amount is as stated on the declaration page.

D. Exclusions Applicable to Employment Practices 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, Employment Practices Liability Insurance of this section does not cover any *claim* resulting from:**

   a. Any ***occurrence***, ***accident, wrongful act,*** or ***sexual molestation or sexual abuse wrongful act*** or other covered loss more specifically covered under any other section of this policy.

   b. 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 employment practice act*** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.

   c. A continuing ***wrongful employment practice act*** which 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***, however, this exclusion does not apply to a ***claim*** for ***damages*** arising out of ***employment sexual harassment.***

   f. ***Bodily injury*** or ***property damage.***

   g. Any dishonest, fraudulent, criminal, or malicious act, error, or omission, committed by or at the direction of any ***insured***.

   h. Any cost associated with providing any reasonable accommodation required by, made as a result of or to conform with the requirements of the Americans with Disability Act, or any similar federal, state or local law or ordinance, any amendments thereto and any rules or regulations promulgated thereunder or common law.

   i. Any labor strike, civil disturbance, riot, or civil commotion.

   j. Any fact or circumstance which has been the subject of any written notice given under any other insurance policy.

   k. Any fact or circumstance known prior to the inception date of the first policy issued by ***us***, which any ***insured*** knew or could have reasonably foreseen would result in a ***claim***.

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:

      i. ***Related sexual molestation or sexual abuse wrongful acts*** taking place thereafter;

      ii. Victims of ***related sexual molestation or sexual abuse wrongful acts***;

      iii. Locations where the ***related sexual molestation or sexual abuse wrongful acts*** took place;

      iv. ICRMP ***policy periods*** over which the ***related sexual molestation or sexual abuse wrongful acts*** took place; or

      v. 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***.

3. **"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, defoliants, 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:

    i. related ***wrongful acts*** taking place thereafter;

    ii. persons affected by related ***wrongful acts***;

    iii. locations where the related ***wrongful acts*** took place;

    iv. ICRMP policy periods over which the related ***wrongful acts*** took place; or

    v. 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 claim related to asbestos remediation or removal or any claim related 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 SECURITY & PRIVACY LIABILITY 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, 2024

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. Coverage Agreements. The following coverages are limited as described herein.

A. **Security & Privacy Liability.** ***We*** shall pay on ***your*** behalf arising from a ***claim*** first made against ***you*** and reported to ***us*** during the ***policy period*** against ***you*** for an actual or alleged ***security failure*** or ***privacy incident*** and reported to ***us*** as outlined.

B. **Security & Privacy Incident Response Expenses.** ***We*** shall pay on ***your*** behalf the ***incident response expenses***, resulting from actual or reasonably suspected ***security failure*** or ***privacy incident*** that is first discovered by ***you*** during the ***policy period***, and reported to ***us*** as outlined.

C. **Business Interruption.** ***We*** shall reimburse ***you*** any ***business loss***, only after the specified ***waiting period*** has expired resulting from a ***material interruption you*** incur directly as a result of a ***security failure*** which occurs during the ***policy period and*** reported to ***us*** as outlined.

D. **Data Recovery.** ***We*** shall reimburse ***you*** for all ***data recovery expenses you*** incur due to a ***security failure*** or ***privacy incident,*** provided that such ***security failure*** or ***privacy incident*** occurs during the ***policy period*** and reported to ***us*** as outlined.

E. **Regulatory Proceedings.** ***We*** shall pay on ***your*** behalf all ***defense costs*** and ***penalties*** arising from a ***regulatory proceeding*** first made during the ***policy period*** against ***you***, resulting from an actual or alleged ***security failure*** or ***privacy incident*** by ***you*** and reported to ***us*** as outlined.

F. **Cyber Extortion.** ***We*** shall reimburse ***you*** for ***extortion costs*** that ***you*** actually pay directly resulting from an ***extortion demand,*** provided that such ***extortion demand*** occurs during the ***policy period*** and repo received and reported to ***us*** during the ***policy period.***

G. **Social Engineering Financial Fraud.** ***We*** will pay or reimburse ***you*** for ***social engineering financial fraud losses*** from a ***social engineering financial fraud*** received and reported to ***us*** during the ***policy period***.

II. Defense of Claims and Settlements.

A. ***We*** have the right and duty to defend any ***claim*** against ***you*** covered under this endorsement, even if such ***claim*** is false, fraudulent or groundless, or any ***claim*** is in the form of a ***regulatory proceeding***, provided such ***claim*** is made and maintained within the United States of America, its territories or possessions; however, ***we*** shall not have the right or duty to defend any matters covered under insuring agreements b., c., d. or f. ***our*** duty to defend any ***claim*** shall cease upon the exhaustion of the applicable limit of liability under this endorsement by payment of loss.

B. With regard to any ***claim*** made or maintained outside the United States of America, its commonwealths, districts, territories or possessions, ***we*** shall not have any duty to assume charge of the investigation, defense or settlement of the ***claim***, but rather shall have the right and shall be given the opportunity to effectively associate with ***you*** in the investigation and defense of any such *claim*. In such cases, ***you*** shall investigate and defend as is reasonable and necessary.

C. ***You*** shall not admit or assume any liability, incur any defense costs or other costs or expenses covered under the endorsement, enter into any settlement agreement or stipulate to any judgment without ***our*** prior written consent. Any loss ***you*** incur and/or any settlements or judgments agreed to by ***you*** without such consent shall not be covered by this endorsement.

D. ***You*** shall give ***us*** full cooperation and such information as it may reasonably require relating to the defense and settlement of any ***claim***, or verification of any ***security failure, privacy incident or extortion demand*** and the prosecution of any counter-claim, cross-claim or third-party ***claim***, including without limitation the assertion of ***your*** indemnification or contribution rights.

E. ***We*** shall have the right to investigate and conduct negotiations and enter into the settlement of any ***claim*** that ***we*** deem appropriate.

II. Deductible. For each *claim*, *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 ***claims***, 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 ***claims*** made, brought or individuals or entities making ***claims***.

B. **Program Aggregate Limit**

1. All coverage is subject to a Program Annual Aggregate Limit of $10,000,000 for each ***policy period***. The Program Annual Aggregate Limit is a shared limit among all ICRMP members and is the most ***we*** will pay for all ***claims*** for all ICRMP members covered under any ***policy period***. ***Claim expenses*** erode the Program Annual Aggregate Limit.

2. If the Program Annual 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***.

3. ***We*** may pay 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 Annual 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*** 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*** 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.

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 ***claim*** as soon as practicable and provide all such information relating to the ***claim*** as ***we*** may reasonably request.

C. If during the ***policy period***, ***you*** become aware of a ***claim*** that may reasonably be expected to give rise to a ***claim***, against an ***insured***, ***you*** must give written notice to ***us*** of such ***claim*** 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 ***claim***, including all relevant dates;

2. The names of persons involved in the ***claim***, including names of potential claimants and a specific description of any 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 event;

4. The specific nature of the alleged or potential damages arising from such event; and

5. The specific circumstances by which an ***insured*** first became aware of the event.

V. Exclusions

This endorsement does not any ***loss*** in connection with any ***claim, security failure, privacy incident or extortion demand:***

A. alleging, arising from, based upon or attributable to any deliberate criminal or deliberate fraudulent act by an ***insured*** if a final non-appealable adjudication establishes that such criminal or fraudulent act occurred;

B. alleging, arising from, based upon or attributable to the gaining in fact of any personal profit or advantage to which any ***insured*** is not legally entitled;

C. alleging, arising from, based upon or attributable to any actual or alleged liability of any ***insured*** under any express or implied warranty or guarantee;

D. alleging, arising from, based upon or attributable to, as of the applicable Pending or Prior Date set forth in the Declarations pages, any pending or prior: (i) litigation; or (ii) administrative or regulatory proceeding or investigation of which an ***insured*** had notice, including any ***claim*** or other covered matter alleging or derived from the same or essentially the same facts, circumstance, situation, transaction, event, act or omission as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

E. alleging, arising from, based upon or attributable to the same facts, circumstance, situation, transaction, event, act or omission alleged or contained in any ***claim, security failure, privacy incident or extortion demand*** which has been reported, or in which notice has been given, before the inception date of this policy as set forth in the declarations pages, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;

F. brought or maintained by any ***insured*** against any other ***insured;***

G. for bodily injury, emotional distress, mental anguish (except emotional distress or mental anguish when associated with a ***security failure or privacy incident***), sickness, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;

H. alleging, arising from, based upon or attributable to ***pollution*** in connection with any real property or facility which is or was at any time owned, operated, rented or occupied by ***you***;

I. for the failure to procure or maintain, or to advise of the need to procure or maintain, insurance, suretyship or bonds;

J. alleging, arising from, based upon or attributable to:

   1. exposure to or discharge, release, escape, seepage, migration, dispersal or disposal of mold, fungi, mildew, yeast, bacteria or spores; or

   2. any demand, request or order that ***you*** test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of mold, fungi, mildew, yeast, bacteria or spores;

K. alleging, arising from, based upon or attributable to nuclear reaction, radiation or contamination, under any circumstances and regardless of cause, within or originating from a nuclear reactor or any facility where nuclear waste or material is processed, stored or disposed;

L. alleging, arising from, based upon or attributable to, or in any way involving the Employee Retirement Income Security Act of 1974, amendments thereto and regulations promulgated or adopted thereunder, or similar provisions of federal, state, provincial, local laws or common law or any of their amendments; provided, however, this exclusion shall not apply to Insuring Agreements A., B. or E. for an actual or alleged ***security failure or privacy incident***;

M. alleging, arising from, based upon or attributable to any violation of the Securities Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, or any state Blue Sky or securities law or similar state or federal laws, including any regulation or order issued pursuant to any such law; provided however, this exclusion shall not apply to Insuring Agreements A., B. or E. for an actual or alleged ***security failure or privacy incident***;

N. alleging, arising from, based upon or attributable to any infringement of, misappropriation of, violation of or assertion of any rights to or interest in a patent or trade secret: (i) by, or on behalf of, ***you***; or (ii) by any other person or entity if such use or misappropriation is done with ***your*** knowledge, consent or acquiescence;

O. alleging, arising from, based upon or attributable to any actual or alleged anti-trust violation, price fixing, monopolization, predatory pricing, price discrimination, restraint of trade, unfair competition, consumer fraud, false, deceptive or unfair trade practices, false, deceptive or misleading advertising, violation of the Interstate Commerce Act of 1887, The Sherman Antitrust of 1890, The Clayton Act of 1914, The Robinson-Patman Act of 1938, The Cellar Kefauver Act of 1950, The Competition Act, or the Federal Trade Commission Act of 1914, amendments thereto, rules or regulations thereunder and amendments thereto, or similar provisions of any federal, state, local statutory or foreign law or common law; provided however, this exclusion shall not apply to Insuring Agreements A., B. or E. for actual or alleged violations of a ***security & privacy law***;

P. alleging, arising from, based upon or attributable to, or in any way involving discrimination, harassment, termination of employment, or failure to hire or promote suffered by an ***insured***, regardless of whether related to employment; provided however, this exclusion shall not apply to Insuring Agreements A., B. or E. for an actual or alleged ***security failure or privacy incident***;

Q. alleging, arising from, based upon or attributable to, or in any way involving the return or restitution of fees or other compensation charged by or paid to ***you*** for goods, products or services;

R. based upon or attributable to, or in any way involving the acts of or caused by an employee, other than a former employee, of any ***insured***;

S. alleging, arising from, based upon or attributable to, or in any way involving electrical or mechanical failures and/or interruption of infrastructure, including, but not limited to, any electrical disturbance, surge, spike, brownout or blackout, and outages to gas, water, telephone, cable, satellite, telecommunications or other infrastructure; provided however, this exclusion shall not apply to Insuring Agreements A. and B. for any ***security failure or privacy incident*** related to infrastructure of the ***computer system*** that is under ***your*** care, custody or control;

T. alleging, arising from, based upon or attributable to, in any way involving or in consequence of war, invasion, military action (whether or not war is declared), civil war, rebellion, revolution, insurrection, military or usurped power, or any action taken by governmental, public or local authority to confiscate, nationalize, seize, destroy or damage property;

U. in the event that such coverage would not be in compliance with any United States of America economic or trade sanctions, laws or regulations, including but not limited to the U.S. Treasury Department's Office of Foreign Assets Control, or any similar foreign, federal, state or statutory law or common law;

V. for taxes, fines and ***penalties***, except as provided with respect to Insuring Agreement E.;

W. for future profits, restitution, disgorgement of unjust enrichment or profits by ***you***, or the costs of complying with orders granting injunctive or equitable relief;

X. for matters that may be deemed uninsurable under applicable law and punitive, exemplary and multiplied damages; provided, however, if such damages are otherwise insurable under applicable law and regulation, coverage will be provided for an award of the damages made against ***you***, in excess of the deductible. The enforceability of the coverage provided by this provision shall be governed by such applicable law that most favors coverage for the insurability of such damages;

Y. for discounts, coupons, prizes, awards or other incentives offered to ***your*** customers or clients;

Z. for liquidated damages to the extent that such damages exceed the amount for which ***you*** would have been liable in the absence of such liquidated damages agreement;

AA. for the costs incurred:

1. to update, replace, restore, upgrade, maintain, enhance or improve data, software or any part of the ***computer system*** beyond the level at which it existed prior to the ***security failure, privacy incident*** or ***extortion demand***; and

2. to research and develop data or software, including intellectual property;

BB. for the economic or market value of data or software, including intellectual property;

CC. alleging, arising from, based upon or attributable to, or in any way involving an indirect or consequential loss of any nature; provided this exclusion shall not apply to Insuring Agreement C.;

Solely with respect to Insuring Agreements B. – D. and F., this policy shall not cover any ***loss*** in connection with any, ***security failure, privacy incident*** or ***extortion demand***

DD. alleging, arising from, based upon or attributable to, or in any way involving performance of any obligation assumed by, on behalf of, or with ***your*** consent;

EE. alleging, arising from, based upon or attributable to, or in any way involving any fees or expenses incurred or paid by any Insured in establishing the existence of or amount of ***loss***; however, this exclusion shall not apply to Insuring Agreement B.;

FF. alleging, arising from, based upon or attributable to, or in any way involving any potential income, including but not limited to interest and dividends not realized by ***you*** or any third party; provided that this exclusion shall not apply to ***business loss*** otherwise covered under Insuring C.

VI. Definitions

A. "**Application**" means all signed applications, including any attachments and other materials provided therewith or incorporated therein, submitted in connection with the underwriting of this endorsement.

B. "**Business Loss**" means

1. Costs that would not have been incurred but for a ***material interruption***;

2. The sum of all of following, which shall be calculated on an hourly basis:

   a. Net income (Net profit or loss before income taxes) that would have been earned; and

   b. Continuing normal operating expenses incurred, including payroll.

C. "**Claim**" means any

1. written demand received by ***you*** for monetary or non-monetary relief or services;

2. civil, judicial, administrative, or arbitral or regulatory proceeding for monetary relief commenced against ***you*** which is commenced by:

   a. service of a complaint or similar pleading;

   b. demand for or notice of arbitration; or

   c. receipt or filing of a notice of charges;

3. with respect to Coverage E, a ***regulatory proceeding*** made against ***you***;

D. "**Cleanup Costs**" means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of ***pollutants***.

E. "**Computer System**" means hardware, software, portable devices, peripheral devices, wireless and mobile devices, data storage, network equipment or electronic backup connected together through a network and under ***your*** care, custody or control or a ***third party computer system service provider***.

F. "**Cyberterrorism**" means the premeditated use of disruptive activities against the ***computer system*** by an individual or group of individuals, or the explicit threat by an individual or group of individuals to use such activities, with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives. "Cyberterrorism" does not include ***cyberwarfare***. "Cyberwarfare" as used herein means actions by a nation-state to penetrate the Computer System for the purposes of causing damage or disruption.

G. “**Data Recovery Expenses**” means the reasonable and necessary fees, costs, charges or expenses, sustained with ***our*** prior written consent, such consent not be unreasonably withheld, resulting from a theft, loss, alteration, damage, deletion, or destruction of any electronic data or software which is under ***your*** care, custody or control or for which ***you*** are legally liable:

1. incurred to replace, restore, or recollect electronic data or software stored on the ***computer system*** from written records or partially or fully matching data or software, including the capacity of the ***computer system*** to store, process or transmit information; and

2. incurred to retain a third-party computer security expert or forensic investigator to determine if electronic data or software can or cannot be replaced, restored or recollected; provided, however, that in the event that electronic data or software cannot be replaced, restored or recollected, ***loss*** shall be limited to the reasonable and necessary fees, costs, charges or expenses incurred to reach this determination.

For the purposes of ***data recovery expenses*** electronic data includes ***private information*** in an electronic or digitized format. D***ata recovery expenses*** shall not include any of ***your*** salary or overhead expenses.

H. “**Defense of Costs**” means:

1. reasonable and necessary fees, costs, charges or expenses resulting from the investigation, defense or appeal of a ***claim***;

2. premium for an appeal, attachment or similar bond, but without any obligation to apply for and obtain such bond;

3. any fees, costs, charges or expenses ***you*** incur at ***our*** specific request to assist ***us*** in the investigation, defense or appeal of a ***claim***.

“Defense Costs” does not include amounts incurred prior to the date a ***claim*** is first made and reported to ***us***, pursuant to the terms of this endorsement, or compensation or benefits of any ***insured*** or your overhead expenses.

I. "**Extortion Costs**” means:

1. reasonable and necessary costs ***you*** sustained with ***our*** prior written consent, which shall not be unreasonably withheld, to utilize a computer security expert or a forensic investigator to determine who is responsible for an ***extortion demand***; and

2. money, securities or other tangible or intangible property of value provided by ***you*** with ***our*** prior written consent, which shall not be unreasonably withheld, to a party responsible for an ***extortion demand*** for the purpose of terminating such ***extortion demand***.

J. "**Extortion Demand**” means:

1. ***Privacy Extortion Demand;*** or

2. ***Security Extortion demand***

K. "**Incident Response Expenses**” means the reasonable and necessary expenses, sustained with ***our*** prior written consent such consent shall not be unreasonably withheld:

1. We may retain an attorney to advise ***you*** on minimizing the harm to ***you***, including: (a) maintaining and restoring public confidence in ***you***; (b) applicability of and actions necessary by ***you*** to comply with any ***security & privacy law*** relating to an actual or suspected ***security failure or privacy***

incident; or (c) to determine whether ***you*** have a right of indemnification from another party for an otherwise covered ***loss***;

2. We may retain a computer security expert or a forensic investigator to determine the existence, cause and extent of any actual or suspected ***security failure or privacy incident***;

3. We may retain a public relations or crisis management consultant, including costs to provide advertising and public relations media and activities relating to an actual or suspected ***security failure or privacy incident***;

4. to notify those whose ***private information*** is connected to an actual or suspected ***security failure or privacy incident*** and advise of any available remedy in connection with the ***security failure or privacy incident***, including those expenses and costs for advertising, printing and mailing of materials;

5. for identity theft education and assistance including credit freezes, identity theft call center services, credit file or identity monitoring and victim reimbursement insurance made available to those persons notified about a ***security failure or privacy incident*** pursuant to subparagraph (4) above.

6. for any other services approved by ***us*** at our sole and absolute discretion.

"Incident Response Expenses" shall not include any of ***your*** salary or overhead expenses.

L. "**Information Handler**"" means a third party that (i) ***you*** have provided ***private information*** to; (ii) ***you*** have given access to ***private information***; or (iii) has received ***private information*** on ***your*** behalf.

M. "**Loss**" means:

1. Damages, settlements or judgments;

2. Pre-judgment or post-judgment interest;

3. Court costs and attorney fees awarded in favor of a claimant and against ***you***.

4. ***Defense costs***;

5. ***Incident response expenses;***

6. ***Business loss***;

7. ***Data recovery expenses***;

8. ***Penalties***; and

9. ***Extortion costs***.

N. "**Material Interruption**" means the actual and measurable interruption or suspension of ***your*** business directly caused by a ***security failure***.

O. "**Penalties**" means any civil fine or money penalty to any federal, state, local or foreign governmental entity that was imposed in a ***regulatory proceeding*** by such governmental entity in its regulatory or official capacity. The insurability of ***penalties*** shall be in accordance with such applicable law that most favors coverage for such ***penalties.***

P. "**Period of Restoration**" means the period of time beginning immediately after the ***material interruption*** occurs, and continues until the ***computer system*** is or cold have been repaired or restored, with due

diligence and promptness, to the same functionality and level of service that existed prior to the ***material interruption,*** and in no event exceeding one hundred and twenty (120) consecutive days.

Q. "**Policy Period**" means the period of time from the effective date to the expiration date specified in the declarations pages, or any earlier cancellation date.

R. "**Personally Identifiable Information"** means:

1. including, but not limited to, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories or passwords;

2. an individual's "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;

3. an individual's medical or heath care information, including "protected health information" or "electronic protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, or the Health Information Technology for Economic and Clinical Health Act (HITECH) and regulations issued pursuant to the Acts, or protected health related information under any similar federal, state, local or foreign law;

4. an individual's private personal information as defined under ***security & privacy law***;

S. "**Privacy Regulations**" means any federal, state, local or foreign statute or regulation requiring ***you*** to limit or control the collection, use of, or access to, ***private information*** in ***your*** possession or under ***your*** control, or obligating ***you*** to inform individuals of the ***unauthorized access*** to or disclosure of such ***private information***, including but not limited to the following statutes and regulations:

1. the Health Insurance Portability and Accountability Act of 1996 (Public Law 104 -191), including Title II requiring protection of confidentiality and security of electronic protected health information, and as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), any rules and regulations promulgated thereunder as they currently exist and as amended, and any related state medical privacy laws as they currently exist and as amended;

2. the Gramm-Leach-Bliley Act of 1999, also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder as they currently exist and as amended;

3. section 5(a) of the Federal Trade Commission Act, 15 U.S.C. 45(a), but solely with respect to alleged unfair or deceptive acts or practices in or affecting commerce;

4. federal, state or local privacy protection regulations or laws, such as the California Database Protection Act of 2003 (previously called SB 1386), the Telephone Consumer Protection Act of 1991, the CAN-SPAM Act of 2003, as they currently exist now or may be amended, associated with the control and use of, or limiting ***unauthorized access*** to, personal information, including but not limited to requirements to post privacy policies, adopt specific privacy controls, or inform customers of breaches of security that has or may impact their personal information

5. federal, state or local data breach regulations or laws, as they currently exist now or in the future, imposing liability for failure to take reasonable care to guard against ***unauthorized access*** to credit or debit account information that is in ***your*** possession or under ***your*** control;

6. identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003;

7. federal and state consumer credit reporting laws, such as the Federal Fair Credit Reporting Act (FCRA) and the California Consumer Credit Reporting Agencies Act (CCCRAA);

8. the Children's Online Privacy Protection Act of 1998; or

9. Privacy protection regulations or laws adopted by countries outside of the United States, such as the EU General Data Protection Regulation, the Canadian Personal Information Protection and Electronic Documents Act and the Australian Privacy Act, as they currently exist now or may be amended, associated with the collection, control and use of, or limiting ***unauthorized access*** to, personal information.

T. "**Pollutants**" means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on, any list of hazardous substances issued by the United States Environmental Protection Agency or any foreign, state, county, municipality, or locality counterpart thereof. Such substances shall include, without limitation, nuclear material or waste, any solid, liquid, gaseous or thermal irritant or contaminant, or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials. ***Pollutants*** shall also mean any other air emission, odor, wastewater, oil or products containing oil, lead or products containing lead, infectious or medical waste, and any noise.

U. **"Pollution"** means the actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of ***pollutants*** into or on real or personal property, water or the atmosphere. ***Pollutants*** into or on real or personal property, water or the atmosphere. ***Pollution*** also means any ***cleanup costs.***

V. "**Privacy Extortion Demand"** means any reasonably credible threat or demand or connected series of threats or demands to unlawfully use or disclose ***private information.*** The purpose of the threat or demand is to obtain money, securities or other tangible or intangible property of value from ***you***.

W. "**Privacy Incident"** means the following:

1. any failure to protect ***private information*** (whether by "phishing," other social engineering technique or otherwise) including, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation;
2. any failure to disclose an event referenced in Sub-paragraph (1) above in violation of any ***security & privacy law;***
3. any unintentional failure of an Insured to comply with those parts of ***your*** privacy policy that (a) prohibit or restrict the disclosure or sale of ***private information*** by ***you***, or (b) require ***you*** to allow an individual to access or correct p***rivate information*** about such individual; or
4. any violation of a federal, state, foreign or local privacy statute alleged in connection with a ***claim*** for a failure described in Sub-paragraphs (1) or (2) above.

X. "**Private Information"** means any of the following in ***your*** or ***information handler's*** care, custody or control or for which ***you*** or ***information handler's*** is legally responsible:

1. ***Personally identifiable information;*** or

2. ***Third Party corporate information.***

Y. "**Regulatory Proceeding**" means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding alleging a ***security failure or privacy incident***.

Z. "**Security Extortion Demand**" means any reasonably credible threat or demand or connected series of threats or demands to commit, continue or resume an intentional attack against the ***computer system***

where the purpose of the threat or demand is to obtain money, securities or other tangible or intangible property of value from ***you***.

AA. "**Security Failure**" means any:

1. unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code due to a failure or violation of the security of the ***computer system*** or any other failure or violation of the ***computer system***;
2. failure to disclose an event referenced in Sub-paragraphs (1) above in violation of any ***security & privacy law***;
3. theft of a password or access code from ***your*** premises, the ***computer system***, or by non-electronic means;
4. physical theft of hardware controlled by ***you*** (or components thereof) on which electronic data is stored from a premises occupied and controlled by ***you.***

BB. "**Security & Privacy Law**" means any federal, state, local or foreign statute or regulation that requires ***you***:

1. to have protocols in place to protect the ***computer system***; or

2. to collect or store ***private information*** or has provided ***private information*** to an ***information handler***, to provide notice of any actual or reasonably suspected ***security failure or private incident***, including the statute known as California SB 1386 (CIV §1798.82, et. seq. of the California Civil Code).

CC. **"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 ***yours***.

DD. **"Social Engineering Financial Fraud Loss"** means loss of money directly resulting from a ***social engineering financial fraud*** event.

EE. "**Third Party Computer System Service Provider**" means:

1. A provider of "cloud computing" or other hosted computer resources to ***you***; or

2. A provider of information technology services required by ***you*** to operate the ***computer system***.

FF. **Waiting Period**" means the number of hours set forth in the declarations pages that must lapse once a ***material interruption*** has begun.

VII. Limits of Liability

A. The amount indicated in declarations pages stated is the most ***we*** will pay in the aggregate under this endorsement, under all coverages combined, for:

1. all ***damages****, including* ***regulatory fines, consumer redress funds*** *and all* ***claim expenses*** *from all* ***claims***;

2. all ***breach response costs*** from all ***security breaches***; and

3. all ***losses***

regardless of the number of acts, errors, or omissions, persons or entities covered by this endorsement, claimants, ***claims, losses*** *or* ***security breaches***, or coverages triggered.

B. When listed in the declarations pages as stated within the amount indicated as the sublimits applicable to a Coverage, is the most ***we*** will pay under this endorsement in the aggregate under the individual coverage, regardless of the number of regardless of the number of acts, errors, or omissions, persons or entities covered by this endorsement, claimants, ***claims***, ***losses*** or ***security breaches***. These sublimits are part of and not in addition to the ***endorsement aggregate limit***.

C. If any ***claim*** or any single ***claim*** is covered under more than one coverage, the highest applicable sublimits shall be the most ***we*** shall pay as to such ***claim*** or single ***claim*** and such ***claim*** or single ***claim*** shall be subject to the highest applicable deductible.

VIII. Deductible

A. The deductible for each Coverage is stated in the declarations pages. The applicable deductible shall be first applied to ***damages***, ***claim expenses***, ***losses*** and ***breach response costs*** covered by this endorsement and ***you*** shall make direct payments within the deductible to appropriate other parties designated by ***us***. ***We*** shall be liable only for the amounts in excess of the deductible, not to exceed the applicable sublimits or ***endorsement aggregate limit***.

B. With respect to Coverages A, B, C, D, E, and G the deductible shall be satisfied by ***your*** payments of ***damages*** and ***claim expenses*** resulting from ***claims first made*** and reported to ***us*** during the ***policy period***. With respect to Coverage C, the deductible shall be satisfied by ***your*** payments of ***breach response costs*** resulting from a ***security breach*** that occurred during the ***policy period*** and is reported by ***you*** to ***us*** during the ***policy period***.

C. With respect to Coverage E, if the ***network disruption*** has exceeded the waiting period in hours set forth in the declarations pages, then ***business income loss*** will be subject to the applicable deductible set forth in the declarations pages and shall be computed as of the commencement of the ***network disruption***.

D. One deductible shall apply to each single ***claim*** or ***loss*** under such coverages.

E. At ***our*** sole and absolute discretion, ***we*** may pay all or part of the applicable deductible, in which case ***you*** agree to repay ***us*** immediately after ***we*** notify ***you*** of the payment. The applicable deductible shall first be applied to any ***loss*** covered by this endorsement that is paid by ***us***, or by ***you*** with ***our*** prior written consent.

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.

#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. **Covered Cause of Loss.** Covered cause of loss is a ***breakdown*** to ***covered equipment***.

2. **Coverages Provided.** Each of the following coverages is provided if either a limit or the word "included" is shown for that coverage in the declarations pages at the front of this policy. These coverages apply only to that portion of the loss or damage that is a direct result of a covered cause of loss. The limits for coverages provided are part of, not in addition to, the per occurrence limit of indemnification for equipment breakdown shown in the declarations pages at the front of this policy.

   a. **Property Damage.** ***We*** will pay for direct damage to ***insured property*** located at the premises described in the schedule of values on file with ***us***.

   b. **Expediting Expenses.** With respect to direct damage to ***insured property***, ***we*** will pay for the extra cost ***you*** necessarily incur to:

      (1) Make temporary repairs; and

      (2) Expedite the permanent repairs or replacement of the damaged property.

   c. **Extra Expense Only.** ***We*** will pay:

      (1) The ***extra expense only you*** necessarily incur to operate ***your*** business during the ***period of restoration***. However, ***business income*** is not provided.

      (2) A number of days is shown in the declarations pages in the front of this policy for extended ***period of restoration***, which goes beyond the five consecutive days in the definition of ***period of restoration***.

      (3) If ***media*** are damaged or ***data*** are lost or corrupted, ***we*** will pay ***your*** actual loss of ***extra expense only*** during the time necessary to:

         (a) Research, replace or restore the damaged ***media*** or lost or corrupted ***data***; and

         (b) Reprogram instructions used in any covered ***computer equipment***.

      However, there shall be no coverage for any ***media*** or ***data*** that ***we*** determine are not or cannot be replaced or restored. The limit for ***data*** or ***media*** is listed on the declarations pages at the front of this policy, and ***we*** will pay the lesser of ***your*** actual loss of ***extra expense only*** up to 30 days after the ***period of restoration***.

(4) If loss to ***insured property*** occurs as a result of contamination by refrigerants (including ammonia) resulting from a ***breakdown*** to refrigerating vessels or piping, ***we*** will also pay ***your*** resulting actual loss of ***extra expense only*** resulting from such loss, up to the ***extra expense only*** limit of insurance listed on the declarations pages in the front of this policy.

(5) ***Extra expense only*** resulting from loss or damage under any other coverage within this endorsement is not covered unless such coverage specifically includes ***extra expense only***.

d. **Spoilage Damage.** ***We*** will pay for 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 lack of excess of power, light, heat, steam or refrigeration.

We will also pay 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 no exceed the amount of loss that otherwise would have been payable under this endorsement.

e. **Utility Interruption.** For ***extra expense only*** and spoilage damage coverages, they are extended to include loss resulting from interruption of utility services, provided all of the following conditions are met:

(1) The interruption is the direct result of a ***breakdown*** to ***covered equipment*** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which ***you*** receive;

(2) The ***covered equipment*** is used to supply electric power, communication services, air conditioning, heating, gas, sewer, water or steam to ***your*** premises; and

(3) The interruption of utility service to ***your*** premises lasts at least the consecutive period of time shown in the declarations pages at the front of this policy. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

f. **Newly Acquired Premises.** ***We*** will automatically provide coverage at newly acquired premises ***you*** have purchased or leased. This coverage begins at the time ***you*** acquire the property and continues for a period not exceeding ninety (90) additional days, under the following conditions:

(1) ***You*** must inform ***us***, in writing, of the newly acquired premises as soon as practicable;

(2) ***You*** agree to pay an additional premium as determined by ***us***;

(3) The coverage for these premises will be subject to the same terms, conditions, exclusions and limitations as other insured premises; and

(4) If the coverages and deductibles vary for existing premises, then the coverages for the newly acquired premises will be the broadest coverage and highest limits and deductible applicable to the existing premises.

g. **Ordinance or Law Coverage.** The following applies despite the ordinance or law exclusion and provided these increases in loss are necessitated by the enforcement of or compliance with any ordinance or law that is in force at the time of the ***breakdown***, which regulates the demolition, construction, repair or use of the building or structure. With respect to the building or structure that was damaged as a result of the ***breakdown***:

(1) ***We*** will pay for:

(a) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of or compliance with an ordinance or law that requires the demolition of undamaged parts of the same building or structure;

(b) ***Your*** actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of or compliance with an ordinance or law that requires the demolition of such undamaged property; and

(c) The increased cost actually and necessarily expended to:

(i) Repair or reconstruct the damaged or destroyed portions of the building or structure; and

(ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area and style for like occupancy, whether or not demolition is required on:

1. The same premises or on another premises if ***you*** so elect. However, if ***you*** rebuild at another premises, the most ***we*** will pay is the increased cost of construction that ***we*** would have paid to rebuild at the same premises; or

2. Another premises if the relocation is required by the ordinance or law. The most ***we*** will pay is the increased cost of construction at the new premises.

(2) ***We*** will not pay for any:

(a) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;

(b) Increase in loss until the damaged or destroyed buildings or structures are actually rebuilt or replaced and approved by the regulating government agency;

(c) Loss due to any ordinance or law that:

(i) ***You*** were required to comply with before the loss, even if the building was undamaged; and

(ii) ***You*** failed to comply with;

(d) Increase in loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the ***breakdown***;

(e) Increase in loss resulting from a substance declared to be hazardous to health or environment by any government agency;

(f) Loss or expense sustained due to the enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to the presence, growth, proliferation, spread or any activity of

fungus, wet or dry rot; or

(g) Costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of ***fungus***, wet or dry rot.

(3) If:

(a) The building or structure is damaged by a ***breakdown*** that is covered under this policy;

(b) There is other physical damage that is not covered under this endorsement; and

(c) As a result of the building damage in its entirety, ***you*** are required to comply with the ordinance or law;

Then ***we*** will not pay for the full amount of the loss under this coverage. Instead ***we*** will pay only that portion of such loss, meaning the proportion that the covered ***breakdown*** loss bears to the total physical damage. But if the building or structure sustains direct physical damage that is not covered under this endorsement and such damage is the subject of the ordinance or law, then there is not ordinance or law coverage under this coverage part even if the building has also sustained damage by a covered ***breakdown***.

h. **Errors and Omissions.** ***We*** will pay for any loss or damage, which is not otherwise payable under this coverage part, solely because any error or unintentional omission by ***you*** in the description or location of property as listed in the ***schedule of values***. No coverage is provided as a result of any error or unintentional omission by ***you*** in the reporting of the ***schedule of values***. The limit is listed on the declarations pages at the beginning of this policy.

i. **Loss Adjustment Expenses.** ***We*** will pay for reasonable and necessary expenses ***you*** incur in preparing claim data or preparing income statements when required by ***us***, including the cost of taking inventories, obtaining appraisals, and preparing other documentation, to determine the extent of covered loss or damage. ***We*** will not pay for any fees, costs or expenses incurred, directed or billed by, or payable to attorneys, public adjusters, loss adjusters, loss consultants, or their associates or subsidiaries; or insurance brokers or agents or their associates or subsidiaries, without our written consent prior to such expenses being incurred; or any costs described in the appraisal condition in the equipment ***breakdown*** protection conditions section. The most ***we*** will pay for all expenses incurred under this endorsement for any ***one breakdown*** is the loss adjustment expense coverage limit of insurance shown in the declarations pages at the front of this policy.

j. **Off Premises Equipment Coverage.** Coverage is extended for loss or damage to ***insured property*** as a direct result of a ***breakdown*** to ***covered equipment*** while such equipment is away from the premises described in the ***schedule of values*** and is operated under ***your*** control, situated at a fixed location and not in transit, and in use or connected and ready to use.

B. Definitions Applicable to Equipment Breakdown Insurance Endorsement

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

1. "***Breakdown***"
   a. Means sudden and accidental direct physical loss to ***covered equipment***, which manifests itself by physical damage, necessitating its repair or replacement, unless loss or damage is otherwise excluded within this section.

b. Does not mean or include:

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

(ii.) Defects, erasures, programming errors or limitations in ***computer equipment*** and programs (including the ability to recognize and process any date or time or provide instructions to ***covered equipment***;

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

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

(v.) Damage to any structure or foundation supporting the ***covered equipment*** or any of its parts;

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

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

2. ***"Computer Equipment"*** means ***your*** programmable electronic equipment that is used to store, retrieve and process ***data***; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as ***data*** transmission. It does not include ***data*** or ***media***.

3. ***"Covered Equipment"***

a. Means and includes any:

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

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

(iii.) Communication equipment, and ***computer equipment***.

b. Does not mean or include any:

(1) ***Media***

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

(3) Insulating or refractory material, but not excluding the glass lining of any ***covered equipment***;

(4) 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;

(5) Catalyst;

(6) Vessels, wiring, cable (including fiber optic cable) piping (including conduit or other piping containing wiring and cable) and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

(7) Structure, foundation, cabinet or compartment supporting or containing all or part of the ***covered equipment*** including penstock, draft tube or well casing;

(8) ***Vehicle***, ***aircraft***, self-propelled equipment or floating vessel, including any ***covered equipment*** that is mounted upon or solely with any one or more vehicle(s), ***aircraft***, self-propelled equipment or floating vessel;

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

(10) Felt, wire, screen, die, molds, forms, patterns, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;

(11) Equipment or any part of such equipment manufactured by ***you*** for sale.

(12) ***Mobile equipment***.

4. ***"Cyber Attack"*** means any alteration, manipulation or destruction of ***covered equipment***, ***computer equipment***, ***data***, ***media*** or any ***insured property***, based upon or arising from:

   a. any actual or alleged cyber security breach, cyber system failure (including breach or failure of a third party network provider) or voluntary shutdown from such cyber breach or failure, cyber ransom or extortion event, privacy regulation violation (including wrongful collection of personal identifiable information);

   b. cyber-crime including theft, unauthorized access of computer resources, phishing or social engineering loss;

   c. any network restoration costs, crisis response or reputational harm resulting from a. and b.

5. ***"Data"*** means:

   a. Programmed and recorded material stored on ***media***; and

   b. Programming records used for electronic ***data*** processing, or electronically controlled equipment.

7. ***"Diagnostic Equipment"*** means machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes including any ***covered equipment*** that is mounted upon or used solely with any one or more machine(s) or apparatus.

8. ***"Extra Expense Only"*** means the additional cost ***you*** incur to operate ***your*** business during the ***period of restoration*** over and above the cost that ***you*** normally would have incurred to operate the business during the same period had no ***breakdown*** occurred.

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

10. ***"Hazardous Substance"*** means any substance other than refrigerants (including ammonia) that has been declared to be hazardous to health by a government agency.

11. ***"Media"*** means electronic ***data*** processing or storage media such as films, tapes, discs, drums or cells.

12. ***"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***.

13. ***"Period of Restoration"*** means the period of time that:

    a. Begins at the time of the ***breakdown***; and

    b. Ends five consecutive days after the date when the damaged property at the premises described in the schedule of values is repaired or replaced with reasonable speed and similar quality.

14. ***"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 in Section III General Conditions of this policy and Section V Property Exclusions.

1. 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 declarations pages at the front of this policy.

2. Any payment made will not be increased if more than one insured is shown in the declarations pages.

3. For each coverage, if:

    a. INCLUDED is shown in the declarations pages, the limit for such coverage is part of, not in addition to, the limit per ***breakdown***.

    b. A limit is shown in the declarations pages, such limit of insurance is the most ***we*** will pay for all loss, damage, cost or expense provided under that coverage.

4. For any ***covered equipment*** that is:

    a. Used solely to supply utility services to ***your*** premises;

    b. Owned by a public or private utility; or, if ***you*** are a public or private utility, owned by a public or private utility other than ***you***;

    c. Not in ***your*** care, custody or control and for which ***you*** are legally liable; and

    d. Covered under this endorsement;

    e. the limit of insurance for property damage stated in the declarations pages is replaced by the sum of one dollar.

5. **Abandonment.** There can be no abandonment of any property to ***us***.

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

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

7. **Valuation**.

   a. ***We*** will determine the value of ***insured property*** in the event of loss or damage as follows:

      (1) The cost to repair, rebuild or replace the damaged property with property of the same kind, capacity, size or quality on the same site or another site, whichever is the less costly; or

      (2) The cost actually and necessarily expended in repairing, rebuilding or replacing on the same site or another site, whichever is the less costly, but at no time exceeding the value listed in the ***schedule of values***.

   Except ***we*** will not pay for such damaged property that is obsolete and useless to ***you***.

8. If ***we*** require that the repair or replacement of the damaged ***covered equipment*** be done in a manner that enhances safety while maintaining the existing function, then ***we*** will pay, subject to the limit of insurance, up to an additional 10% of the property damage amount for the ***covered equipment*** otherwise recoverable.

9. Unless ***we*** agree otherwise in writing, if ***you*** do not repair or replace the damaged property within 24 months following the date of the ***breakdown***, then ***we*** will pay only the smaller of the:

   a. Cost it would have taken to repair or replace; or

   b. ***Actual cash value*** at the time of the ***breakdown***.

10. ***We*** will pay for loss to damaged ***data*** or ***media*** as follows:

    a. Replacement cost for ***data*** or ***media*** that are mass produced and commercially available; and

    b. The cost ***you*** actually spend to reproduce the records on blank material for all other ***data*** or ***media***, including the cost of gathering or assembling information for such reproduction.

    c. However, ***we*** will not pay for ***data*** or media that ***we*** determine are not or cannot be replaced with ***data*** or ***media*** of like kind and quality or property of similar functional use.

11. ***We*** will determine the value of ***insured property*** under spoilage damage coverage as follows:

    a. For raw materials, the replacement cost;

    b. For property in process, the replacement cost of the raw materials, the labor expended and the proper proportion of overhead charges; and

    c. For finished products, the selling price, as if no loss or damage had occurred, less any discounts ***you*** offered and expenses ***you*** otherwise would have had.

    d. Any salvage value of property obtained for temporary repairs or use following a ***breakdown*** which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

12. **Suspension.** Whenever ***covered equipment*** is found to be in, or exposed to, a dangerous condition, ***we*** may immediately suspend the insurance against loss from a ***breakdown*** to that ***covered equipment*** 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.

D. Exclusions Applicable to Equipment Breakdown Insurance Endorsement

We will not pay for loss or damage caused directly or indirectly by any of the following, even if the loss or damage otherwise qualifies as a covered ***breakdown***. Such loss or damage is excluded, regardless of any other cause or event that contributes concurrently or in any sequence to the loss. The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. **Ordinance or Law.** Increase in loss from the enforcement of or compliance with any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of ***insured property***. However, the words use and operation shall be eliminated as respects a covered ***breakdown*** to electrical supply and emergency generating equipment located on the premises of a hospital.

2. **Earth Movement.** Earth movement, including, but not limited to, earthquake, tremors and aftershocks relating to earthquake, landslide, land subsidence, mine subsidence or volcanic action, whether naturally occurring or man-made, including excavation or grading costs.

3. **Water.**

   a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water (whether naturally occurring or man-made), or spray from any of these, all whether or not driven by wind (including storm surge);

   b. Mudslide or mudflow;

   c. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

   d. Water damage caused by the:

      (1) Discharge or leakage of a sprinkler system or domestic water piping; or

      (2) Intrusion of rain, sleet or snow that enters through the building envelope, including, but not limited to the roof, windows or doors;

   e. Water under the ground surface pressing on, or flowing or seeping through:

      (1) Foundations, walls, floors or paved surfaces;

      (2) Basements, whether paved or not;

      (3) Doors, windows or other openings; or

   f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a., c. or e., or material carried or otherwise moved by mudslide or mudflow.

   This exclusion applies, regardless of whether any of the above, in Paragraphs a. through f., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

4. **Nuclear Hazard.** Nuclear reaction or radiation, or radioactive contamination, however caused.

5. **War or Military Action.**

   a. War, including undeclared or civil war;

   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

   c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

6. An explosion. However, ***we*** will pay for loss or damage caused by an explosion of ***covered equipment*** of a kind specified in a. through g. below, if not otherwise excluded in this Section:

   a. Steam boiler;

   b. Electric steam generator;

   c. Steam piping;

   d. Steam turbine;

   e. Steam engine;

   f. Gas turbine; or

   g. Moving or rotating machinery when such explosion is caused by centrifugal force or mechanical ***breakdown***.

7. Fire or combustion explosion including those that:

   a. Result in a ***breakdown***;

   b. Occur at the same time as a ***breakdown***; or

   c. Ensue from a ***breakdown***.

8. ***Fungus***, Wet Rot and Dry Rot. Presence, growth, proliferation, spread or activity of ***fungus***, wet or dry rot. However, if a ***breakdown*** occurs, ***we*** will pay the resulting loss or damage. This exclusion does not apply to the extent that coverage for ***fungus***, wet rot or dry rot is provided elsewhere in this endorsement and then only for that portion of any loss or damage resulting from the presence, growth, proliferation, spread or activity of ***fungus***, wet or dry rot as a result of a ***breakdown***.

9. Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However:

   a. If a ***breakdown*** occurs, ***we*** will pay the resulting loss or damage;

   b. This exclusion does not apply to loss or damage caused by or resulting from ***fungus***, wet rot or dry rot. Such loss or damage is addressed in Exclusion B.8.;

c. Regardless of the application of this exclusion to any particular loss, the provisions of this Exclusion 9. do not serve to create coverage for any loss that would otherwise be excluded under this endorsement.

10. Explosion within the furnace of a chemical recovery type boiler or within the passage from the furnace to the atmosphere.

11. Damage to ***covered equipment*** undergoing a pressure or electrical test.

12. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.

13. Depletion, deterioration, corrosion, erosion or wear and tear. However, ***we*** will pay the resulting loss or damage, if a ***breakdown*** ensues.

14. Any of the following causes of loss:

    a. ***Aircraft***, missiles or vehicles;

    b. Freezing caused by cold weather;

    c. Lightning, wind or hail;

    d. Sinkhole collapse;

    e. Smoke;

    f. Riot, civil commotion or vandalism;

    g. Weight of snow, ice or sleet;

    h. Theft or burglary, including any property damaged during a theft or burglary;

    i. Impact of objects falling from an aircraft or missile;

    j. Collapse of the building or structure at the premises where the ***covered equipment*** is sited;

    k. Acts of sabotage;

    l. Act(s) of load shedding, intentional shutdown or slowdown by the supplying utility, not resulting from a covered ***breakdown*** to ***covered equipment***; or

    m. ***Cyber attack***.

15. A delay in, or an interruption of, any business, manufacturing or processing activity except as provided by ***extra expense only*** and utility interruption coverages.

16. With respect to ***extra expense only*** and utility interruption coverages, the following additional exclusions shall apply:

    a. The business that would not or could not have been carried on if the ***breakdown*** had not occurred;

    b. ***Your*** failure to use due diligence and dispatch and all reasonable means to operate ***your*** business as nearly normal as practicable at the premises shown in the schedule of values; or

c. The suspension, lapse or cancellation of a contract following a ***breakdown*** extending beyond the time business could have resumed if the contract had not lapsed, been suspended or canceled.

17. Any indirect loss following a ***breakdown*** to ***covered equipment*** that results from the lack or excess of power, light, heat, steam or refrigeration, except as provided by ***extra expense only***, spoilage damage and utility interruption coverages.

18. Any consequential loss or damage from, or any indirect result of, a ***breakdown*** to ***covered equipment*** except as provided by ***extra expense only***, spoilage damage, utility interruption or undamaged ***stock*** coverages.

19. Neglect by ***you*** to use all reasonable means to save and preserve ***insured property*** from further damage at and after the time of the loss.

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.

#7 ATTORNEY CONSULTATION 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.

A. INSURING AGREEMENT APPLICABLE TO ATTORNEY CONSULTATION AMENDATORY ENDORSEMENT

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

1. ***We*** agree to pay ***defense costs*** for attorney fees incurred by ***us*** to obtain an opinion of legal counsel regarding the appropriateness of a proposed termination of employment of ***your*** employee(s) provided ***you*** first notify ***us*** of the proposed termination during the ***policy period*** and prior to such termination; and

2. The amounts payable under this endorsement are in addition to the defense costs limits stated within the declarations page of the policy to which this Endorsement is attached.

B. DEFINITIONS APPLICABLE TO ATTORNEY CONSULTATION 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. ***Defense costs*** means costs ***we*** pay to ***our*** approved attorneys for attorney fees and related expenses. ***Defense costs*** will not include the salary, additional wages or costs of any employee of an ***insured***.

C. LIMITS OF INSURANCE APPLICABLE TO ATTORNEY CONSULTATION AMENDATORY ENDORSEMENT

1. We agree to pay up to $2,500 in ***defense costs*** per termination considered not to exceed $50,000 in the aggregate for all attorney consultations per ***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.

#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.

9 – TERRORISM FOR FIRST PARTY PROPERTY ENDORSEMENT

Section V – Property is amended by the following:

A. ***Terrorism First Party Property 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 Terrorism for First Party Property Endorsement as listed below.

1. **Covered Cause of Loss.** Subject to the exclusions, limits and conditions hereinafter contained, this endorsement applies to ***insured property*** as stated in the ***schedule of values*** on file with ***us*** against physical loss or physical damage occurring during the policy period caused by an ***act of terrorism*** or ***act of sabotage***, as herein defined.

B. ***Definitions Applicable to Terrorism Fist Party Property Endorsement***

The following definitions are 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. ***"Act of 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 influence any government and/or to put the public in fear for such purposes.

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

3. ***"Computer System"*** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by ***you***.

4. ***"Data"*** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a ***computer system***.

5. ***"Occurrence"*** means any one loss and/or series of losses arising out of and directly occasioned by one ***act*** or series of ***acts of terrorism*** or ***acts of sabotage*** for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses ***you*** sustained for ***insured property*** herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this policy unless ***you*** shall first sustain direct physical damage by an ***act of terrorism*** or an ***act of sabotage*** prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the inception or attachment of this policy.

C. ***Conditions Applicable to Terrorism First Party Property Endorsement***

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

1. **Debris Removal.** This endorsement also covers, within the sum insured, expenses incurred in the removal from the ***insured property*** of debris of property damaged by an ***act of terrorism*** or an ***act of sabotage***. The cost of removal of debris shall not exceed ten (10%) of the stated value as listed on the ***schedule of values***.

2. **Valuation.** It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) ***insured property*** on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

    a. The repairs, replacement or reinstatement (all hereinafter referred to as “replacement”) must be executed with due diligence and dispatch;

    b. Until replacement has been effected the amount of coverage under this endorsement in respect of loss shall be limited to the actual cash value at the time of loss;

    c. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this endorsement.

    d. ***Our*** liability for loss under this endorsement shall not exceed the smallest of the following amounts:

        i. The overall endorsement limit applicable to the destroyed or damaged ***insured property*** as shared amongst all ***our*** members and only to the value as listed on the ***schedule of values***.

        ii. The replacement cost of the ***insured property*** or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss.

        iii. The amount actually and necessarily expended in replacing said property or any part thereof.

3. **Incorrect Declaration Penalty.** If the values declared as stated in the ***schedule of values*** are less than the correct insured values as determined above, then ***your*** recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and ***you*** shall self-insure for the balance.

4. **Notification of Claims.** ***You***, upon knowledge of any ***occurrence*** likely to give rise to a claim hereunder, shall give notice as soon as reasonably practicable to ***us*** within seven (7) days of such knowledge of any ***occurrence*** and it is a condition precedent to ***our*** liability that such notification ***you*** give. If ***you*** make a claim under this endorsement ***you*** must give ***us*** such relevant information and evidence as may reasonably be required and cooperate fully in the investigation or adjustment of any claim. If ***we*** require, ***you*** must submit to examination under oath by any person designated by ***us***.

5. **Proof of Loss.** ***You*** shall render a signed and sworn proof of loss within sixty (60) days after the ***occurrence*** of a loss (unless such period be extended by a written agreement by ***us***) stating the time, place and cause of loss, ***your*** interest and all others in the ***insured property***, the sound value thereof and the amount of loss or damage thereto. If we have not received such proof of loss within two years of the expiration date of this policy, ***we*** shall be discharged from all liability hereunder. In any claim and/or action, suit or proceeding to enforce a claim for loss under this endorsement, the burden of proving that the loss is recoverable under this endorsement and that no limitation or exclusion of this endorsement or policy applies and the quantum of loss shall fall upon ***you***.

D. ***Exclusions Applicable to Terrorism First Party Property Endorsement***

This endorsement does not insure against, does not cover physical loss or physical damage from or to:

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.

3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an ***act of terrorism*** or an ***act of sabotage***.

4. Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.

7. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.

8. Any fine or penalty or other assessment which is incurred by ***you*** or which is imposed by any court, government agency, public or civil authority or any other person.

9. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses (which would otherwise be covered under this endorsement) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

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

11. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.

12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by ***us*** in writing prior to such measures being taken.

13. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.

14. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.

15. Loss or increased cost as a result of threat or hoax.

16. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.

17. Loss or damage caused by mysterious disappearance or unexplained loss.

18. Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

19. ***We*** shall not be deemed to provide cover and ***we*** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose ***us*** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

20. Loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

    a. any electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon;

    b. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any ***data***, including any amount pertaining to the value of such ***data***.

    c. Subject to all the terms and conditions of this endorsement, this exclusion shall not operate to exclude physical loss or physical damage to ***insured property*** under this endorsement arising from the use of any ***computer system*** or program in the launch and/or guidance system and/or firing mechanism of any weapon or missile. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

21. Property Excluded:

    a. Land or land values.

    b. Power transmission, feeder lines or pipelines not on ***your*** premises.

    c. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its normal operations.

    d. ***Aircraft*** or any other aerial device, or watercraft.

    e. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the ***insured property*** herein at the time of its damage.

    f. Animals, plants and living things of all types.

    g. Property in transit not on ***your*** premises.

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, 2025 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***.

ICRMP

Policy Year

2025-2026

PUBLIC ENTITY

Multi-Lines Insurance Policy

Issued for:

ICRMP Subscriber Name

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:	**Member Name**
Address:	**Member Address** **Member City, St, Zip**
Application Date:	**Date**
Policy Number:	**Policy Number**
Policy Period:	**From: October 1, 2025** **To: October 1, 2026**
	Both dates above at 12:01 AM
Member Contribution:	**Premium**

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 ICRMP members collectively.

Insuring Agreements	*Limit of Insurance*	*Coverage Basis*	*Deductible*
Buildings, Structures & Property, Mobile Equipment and Vehicle Physical Damage			
Sublimits:			
Claim Preparation Fees & Expenses	$100,000	Per covered occurrence.	The first **XX** per covered occurrence for Physical Damage to Automobiles or Mobile Equipment, or the first XX per covered occurrence for loss/damage to buildings, structures, contents, or property in the open Service Animals: The first $1,500 per covered occurrence Earthquake: The first $50,000 per covered occurrence. Flood Type 1: The first $500,000 per building and first $500,000 per contents per covered occurrence. For NFIP Emergency Program first $100,000. Flood Type 2: The first $50,000 per covered occurrence. Gymnasium Floor: The first 20% of the loss caused by water per covered occurrence. Weight of Snow, Hail, Pipes & Fittings Failure: The first 10% of the loss per covered occurrence
Debris Removal	$1,000,000 or 25% of damage, whichever is less	Per covered occurrence.	
Earthquake	$50,000,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP members' claims combined in this policy year.	
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.	
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 1	$12,500,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP members' claims combined in this policy year.	
Flood Type 2	$50,000,000	Per covered occurrence and/or in the Annual Aggregate with all ICRMP members' claims combined in this policy year.	
Ordinance or Law	$1,000,000 or 25% of the stated value, whichever is less	Per covered occurrence.	
Landscape Items	$25,000	Per covered occurrence.	
Newly Acquired Property	$2,500,000/120 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.	
• Income Loss	$500,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Data Restoration	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Extra Expense	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Expediting Expense	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
• Leasehold Interest	$250,000	Per covered occurrence and is included in the $2,500,000 limit.	
Property in Course of Construction	$2,500,000	Per covered occurrence.	
Property in Transit	$1,000,000	Per covered occurrence and/or in the aggregate for multiple occurrences in this policy year.	
Protection & Preservation of Property	$250,000	Per covered occurrence.	
Service Animals	$30,000	Per covered occurrence.	
Small Unmanned Aircraft	$50,000	Per covered occurrence.	
Valuable Papers and Records	$1,000,000	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.	
Vehicles & Mobile Equipment	$1,500,000	Per item per covered occurrence when travelling over the road and no more than $10,000,000 for multiple items per occurrence while not in use or stationary.	

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

Insuring Agreements	Limit of Insurance	Coverage Basis	Deductible
1. Employee Dishonesty	<merge>	Per covered occurrence and in the aggregate for all claims annually.	The first **<merge>** of any loss in this section.
2. Loss Inside Premises	<merge>	Per covered occurrence and in the aggregate for all claims annually.	
3. Loss Outside Premises	<merge>	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	$3,000,000	$2,000,000	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	$3,000,000	$2,000,000	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				
1. Law Enforcement Liability	$500,000	$3,000,000	$2,000,000	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 ***CLAIMS MADE COVERAGE*** ***Retroactive Date:*** **<merge>** ***1. Errors & Omissions Liability***	$500,000	$3,000,000	$2,000,000	Per covered claim.
EMPLOYEE BENEFITS LIABILITY – SECTION XI ***CLAIMS MADE COVERAGE*** ***Retroactive Date:*** **<merge>** ***1. Employee Benefits Liability***	$500,000	$3,000,000	$2,000,000	Per covered claim.
EMPLOYMENT PRACTICES LIABILITY – SECTION XII ***CLAIMS MADE COVERAGE*** ***Retroactive Date:*** **<merge>** ***1. Employment Practices Liability***	$500,000	$3,000,000	$2,000,000	Per covered claim. Deductible applies as follows: The first **<merge>** per covered claim as detailed within the coverage section.
SEXUAL MOLESTATION/SEXUAL ABUSE LIABILITY – SECTION XIII ***CLAIMS MADE COVERAGE*** ***Retroactive Date:*** **<merge>** ***1. Sexual Molestation/Sexual Abuse Liability***	$500,000	$3,000,000	$2,000,000	Per covered claim.
CHEMICAL SPRAYING ACTIVITITES LIABILITY – SECTION XIV ***CLAIMS MADE COVERAGE*** ***Retroactive Date:*** **<merge>** ***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, XII, XIII, XIV, AND XV COMBINED IS $5,000,000.

---------- 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 **XX** of any loss for Endorsement #1.
#2 –Security & Privacy Liability Endorsement **CLAIMS MADE COVERAGE** **Retroactive Date: <merge>**	$1,000,000	Included in indemnification limit	Per Covered claim and $10,000,000 in the aggregate annually. Aggregate is shared among all ICRMP members collectively insured for Security & Privacy Liability for multiple claims.	The first **XX** of any loss and 12 hours waiting period for Endorsement #2.
Sublimits: *Security* & Privacy Incident Response Expenses Business Interruption Data Recovery Regulatory Proceedings	 $500,000 $500,000 $500,000 $500,000		Each Sublimit Per Covered claim and $10,000,000 in the aggregate annually. Aggregate is shared among all ICRMP members collectively insured for Security & Privacy Liability for multiple claims.	
Cyber Extortion	$50,000		Cyber Extortion is $50,000 Per Covered Claim and/or in the aggregate for multiple claims.	
Social Engineering Financial Fraud	$100,000		Social Engineering Fraud is $100,000 Per Covered Claim and/or in the aggregate for multiple claims.	
#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.	
#6 – Equipment Breakdown Endorsement **1. Spoilage** **2. Property Damage** **3. Expediting Expense** **4. Extra Expense Only** **5. Hazardous Substance** **6. Refrigerant Contamination** **7. Data and Media** **8. Ordinance or Law** **9. Newly Acquired Premises** **10. Errors and Omissions** **11. Loss Adjustment Expenses**	 $1,000,000 INCLUDED $1,000,000 $1,000,000 INCLUDED $1,000,000 INCLUDED $100,000,000 INCLUDED INCLUDED $25,000	Not applicable	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 indemnification combined with all ICRMP members collectively.	The first **XX** of any loss for Endorsement #6. The first 24 hours for Utility Interruption.
#7 – Attorney Consultation Reimbursement Amendatory Endorsement	$0	$2,500	Per covered claim and $50,000 in the aggregate for multiple claims.	
#8– Active Assailant Amendatory Endorsement	$50,000 $100,000	Not applicable	Per covered incident. In the aggregate for multiple incidents.	
#9 – Terrorism First Party Property Endorsement	$150,000,000	Not applicable	Per covered occurrence and in the aggregate annually. Aggregate shared among all ICRMP members collectively insured for Terrorism First Party Property Endorsement for multiple claims	The first $10,000 of each claim for endorsement #9.

ANNUAL AGGREGATE INDEMNIFICATION LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XII, XIII, XIV, AND XV COMBINED IS $5,000,000.

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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***, ***small 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 waste, and unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead), 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. **"Small Unmanned Aircraft ~~System~~"** means an unmanned aircraft weighing less than 55 pounds on takeoff, including everything that is on board or otherwise attached to the 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.~~1. 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.~~2. Acts or omissions on ***your*** part which increase any hazard insured against;

               ~~4.~~3. 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.~~4. Loss of or decrease in reinsurance which provided ***us*** with coverage for all or part of the risk insured;

~~6.~~5. 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.~~6. 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 specified in the declarations page within this section~~.~~. We will then pay the amount of loss or damage in excess of the applicable deductible, up to the limit of insurance.

a. Unless otherwise stated, if more than one deductible amount applies to loss or damage in any one covered ***occurrence***, the highest deductible amount applies; 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 insured 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.

   f. First-party property damage or loss notices shall be reported by ***you*** to ***us*** within one (1) year from the date of loss or damage that was known or should have been known for coverage to be afforded.

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 insurance 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*** directly or 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. However, this exclusion does not apply in claims where members have complied with all provisions within Idaho Code §18-1517B.

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 below 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.~~as listed on the declarations page. 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 in the Open. *We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** against direct physical loss of or direct physical damage, including, ***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**.~~as listed on the declarations page.

      (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 $1,000,000 or 25% of~~as listed on the ~~loss, whichever is the lesser, per **occurrence**~~declarations page.

      (3) **Ordinance or Law.** 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. Compliance with ordinance or law expenses is limited ~~to a maximum of $1,000,000 per **occurrence**.~~as listed on the declarations page. 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:

i. Demolish the physically undamaged portion of such property insured; and

ii. 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:

i. The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or

ii. 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~~as listed on the declarations page.

(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~~as listed on the declarations page and includes all sublimits as listed below. The following ~~sublimits~~items apply, sublimited as listed on the declarations page:

a. The maximum amount we will pay ~~is $500,000~~ for any one occurrence or in the aggregate for multiple occurrences for income loss is listed on the declarations page. This will be limited to your actual loss of income after deduction for expenses avoided because of the disruption. This will only extend for the period of restoration, and only if you repair or replace the damaged or destroyed insured property. In addition, this provides income loss from:

i. Civil or military authority that prohibits access to your insured property, provided that access to the area immediately surrounding your damaged property is prohibited by civil or military authority as a result of the damage, and your insured property are within that area but are not more than 5 miles from the damaged property and the action of civil or military authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the covered cause of loss that caused the damage, or the action is taken to enable a civil or military authority to have unimpeded access to the damaged property. If income loss is caused by civil or military authority action, coverage will not start until 72 hours after the time of the first action of civil or military authority that prohibits access to your insured property and will apply for a period of up to sixty days from the date on which such coverage began; or

ii. Ingress to or egress from your insured property that is prevented (other than civil or military authority) because of direct physical loss or damage to your insured property and you incur income loss due to the necessary suspension of your operations during the period of restoration.

This will apply for up to 30 consecutive days from the date when the ingress or egress is first prevented.

iii. Loss of income does not include loss of funding or grants from a governmental or private entity, foundation, or person.

b. The maximum amount we will pay ~~is $250,000~~ for any one occurrence or in the aggregate for multiple occurrences for 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*** is listed on the declarations page.

c. The maximum amount we will pay ~~is $250,000~~ 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~~.~~ is listed on the declarations page. This does not cover costs recoverable elsewhere in this section or of permanent repair or replacement of damaged property.

d. The maximum amount we will pay ~~is $250,000~~ for leasehold interest loss because of physical loss or damage to ***your insured property*** is listed on the declarations page, and is subject to the following:

i. If the lease agreement requires continuation of rent; and if the property is wholly untenantable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenantable or unusable, the proportion of the rent payable for the unexpired term of the lease.

ii. 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.

iii. 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.

iv. In addition, there is no coverage for ***your*** loss of leasehold interest directly resulting from damage to contents or personal property.

e. The maximum amount we will pay ~~is $250,000~~ for extra expenses above ***your*** normal operations after physical loss or damage to ***your insured property*** and is for the reasonable and necessary extra costs ***you*** ~~incurfor~~incur for the following during the ***period of restoration***~~:~~ is listed on the declarations page:

i. Extra expenses to temporarily continue as nearly as normal as practicable the conduct of ***your*** operation and extra costs of temporarily using other property for ***your*** facilities;

ii. Less any value remaining at the end of the ***period of restoration*** for property obtained in connection with the above.

iii. Extra expenses to temporarily continue as nearly as normal as practicable the conduct of your operation and extra costs of temporarily using other property for ***your*** facilities in response to civil or military authority that prohibits access to ***your insured property***, provided that access to the area immediately surrounding your damaged property is prohibited by civil or military authority as a result of the damage, and ***your insured property*** are within that area but are not more than 5 miles from the damaged property and the action of civil or military authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the covered cause of loss that caused the damage, or the action is taken to enable a civil or military authority to have unimpeded access to the damaged property. Extra expenses caused by civil or military authority action will end sixty (60) days after the date of that action.

f. Extra expense does not cover:

i. Any loss of income.

ii. Costs that normally would have been incurred in conducting the operation during the same period had no physical loss or damage occurred.

iii. Cost of permanent repair or replacement of ***your insured property*** that has been damaged or destroyed.

iv. Any expense recoverable elsewhere in this section.

(6) **Property in the Course of Construction.** This additional coverage provides for new buildings or additions in the course of construction up to a per occurrence limit ~~of $2,500,000~~as listed on the declarations page for structures 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.*** Coverage ends when the policy cancels or expires. ***We*** will charge additional premium for buildings or structures added on the ***schedule of values*** from the date construction begins or ***you*** acquire the property.

(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~~as listed on the declarations page 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, as listed on the declarations pages, 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~~listed on the declarations page 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. **Asbestos Cleanup and Removal.** This provides coverage to extract asbestos from land or water at the described premises if the release of asbestos is caused by or results from a covered claim. This coverage does not apply to costs to test for, monitor, or assess the existence, concentration, or effects of asbestos. The most we will pay under this coverage is ~~$100,000~~listed on the declarations page for the sum of all covered expenses arising out of the loss occurring during the policy period.

3. **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, ***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. The most ***we*** will pay in any one ***occurrence*** is ~~$1,500,000~~listed on the declarations page when the ***vehicle*** or ***mobile equipment*** is travelling over the road. Further, the most ***we*** will pay is ~~$10,000,000~~listed on the declarations page for all ***vehicles*** or ***mobile equipment*** items while not in use or stationary.

4. **Landscaping Items.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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~~listed on the declarations page.

5. **Property of Employees or Volunteers**. ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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.~~as listed on the declarations page. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.

6. ***Vehicles*** **or** ***Mobile Equipment*** **Owned by Employees or Authorized Volunteers.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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.~~as listed on the declarations page. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.

7. **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.

8. **Property in Transit.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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***.~~as listed on the declarations page. 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.

9. **Small Unmanned Aircraft ~~System~~**. ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***earth movement*** and ***flood*** ~~up to $50,000 per ***occurrence***~~as listed on the declarations page for physical damage to ***small unmanned aircraft*** ~~(drones)~~ weighing less than 55 pounds~~,~~ on takeoff, including everything that is on board or otherwise attached to the aircraft, and flying at or below 400 feet above ground level, and incapable of travelling more than 100 miles per hour.

10. **Newly Acquired Property.** ***We*** agree to pay ***you***, or on ***your*** behalf, for an ***occurrence*** for direct physical loss of or direct physical damage including ***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 $2,500,000.~~as stated in the declarations pages. ***We*** will invoice additional premium for buildings or structures added on the schedule of values from the date construction begins or you acquire the property.

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, Al — 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.

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:

      i. Pay its chosen appraiser; and

      ii. Bear equally the other expense of the appraisal and umpire.

      iii. 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 details 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 highest deductible amount applies; 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:

i. 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.

ii. 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***.

iii. 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.

iv. 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. Pipes or Fittings Failure: For covered losses to ***insured property*** resulting from pipes or fittings failure, regardless of the cause of loss contributing to the damage, the deductible shall be a percentage of loss as stated on the declarations page at the beginning of this policy.

h. 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.

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 $50,000,000~~as listed on the declarations page 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 $50,000,000~~as listed on the declarations page 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. **Schedule of Values.**

a. All ***vehicles***, watercraft, buildings, property in the open, 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, small 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, small 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**.**

8. **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:

      i. The cost to repair contents;

      ii. The cost to rebuild or replace contents on the same site with new materials that are like size, kind and quality;

      iii. The selling price of machinery and equipment, other than stock, offered for sale on the date of loss;

      iv. 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.

      v. The unamortized value of improvements and betterments to contents, if such property is not repaired or replaced at ***your*** expense; or

      vi. The ***actual cash value*** if such contents is:

         (1) Useless to ***you***; or

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

      vii. ***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, ***small unmanned aircraft ~~systems~~***, and ***vehicles:***

      i. For ***mobile equipment***, watercraft, ***small unmanned aircraft ~~systems~~*** or ***vehicles*** purchased within the last 12 months from the date of loss, we will pay the lessor of cost to repair or the original purchase price of the totaled ***mobile equipment,*** watercraft, ***small unmanned aircraft ~~systems~~,*** or ***vehicles***.

      ii. For ***mobile equipment***, watercraft, ***small unmanned aircraft ~~systems~~*** or ***vehicles*** that were purchased greater than 12 months from the date of loss, ***we*** will pay 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.

      iii. If ***mobile equipment***, watercraft, ***small unmanned aircraft ~~systems~~*** or ***vehicles*** are not repaired or replaced, ***we*** will pay no more than the ***actual cash value***.

      iv. For ***mobile equipment***, watercraft, ***small 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,

      v. In addition to above, all reasonable and necessary recovery, towing and storage costs.

   c . Stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.

d. Property in transit:

i. 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.

ii. 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.

iii. 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. Roofs or sections of roofs more than twenty (20) years old, in the event of loss or damage to roofs or sections of roofs, as evidenced by actual documentation of installation, the loss or damage shall be valued at the time and place of the loss on an actual cash value basis determined as follows:

i. Actual cash value equals the replacement cost times the remaining useful life factor (R). The remaining useful life factor is calculated by the following formula: R = U/N.

(1) Where N = The normal useful life of the roof based on the manufacturer's design life expectancy.

(2) Where U = The length of time the roof was in use at the time of the loss.

(3) Where R = The remaining useful life factor at the time of the loss.

Replacement cost shall not exceed the actual cost to repair or replace the property with material of like kind and quality within a reasonable time after loss. The minimum residual value assigned to damaged roofs or section of roofs shall be set at 10%.

f. 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.

g. Raw materials, supplies and other merchandise not manufactured by ***you***:

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

ii. If not repaired or replaced, the ***actual cash value***.

h. ***Fine arts*** articles, the lesser of and not to exceed ~~$1,000,000~~the per occurrence and/or in the aggregate limit as listed on the declarations page, only if the item cannot be replaced with other like kind and quality:

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

ii. Cost to replace the article; or

iii. Current market value at time of loss.

iv. 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***.

i. ***Valuable Papers and Records***, and ***Electronic Data and Media***.

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

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

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

ii. On all other ***Valuable Papers and Records***, and ***Electronic Data and Media***, the lesser of the following:

(1) 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;

(2) The cost to replace the item.

j. ***Vacant Property***:

i. 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:

(1) Vandalism

(2) Sprinkler leakage

(3) Building glass breakage

(4) Water damage

(5) Theft, or attempted theft

ii. 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%.

k. 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:

i. The cost to repair;

ii. The cost to rebuild or replace on the same site with new materials that are like size, kind and quality;

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

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

v. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.

vi. The increased cost of demolition, if any, resulting from loss covered by this section, if such property is scheduled for demolition;

vii. The unamortized value of improvements and betterments, if such property is not repaired or replaced at ***your*** expense; or

viii. The ***actual cash value*** if such property is:

(1) Useless to ***you***; or

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

(3) ***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.

9. ***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.*** Third party loss of use claims are also covered for up to ninety (90) days.

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***:

i. Including theft of cash, securities, or other negotiable instruments, however described; or

ii. 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

iii. 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:

i. Incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;

ii. 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:

i. Foundations, walls, floors, or paved surfaces; or

ii. Basements, whether paved or not; or

iii. 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:

i. Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or

ii. Requiring the demolition of any property, including the cost in removing its debris; or

iii. 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~~the per ***occurrence*** limit as listed on the declarations page, 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 and casings, 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 ***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:

i. The giving or surrendering of money or securities in any exchange or purchase;

ii. Accounting or arithmetical errors or omissions;

iii. Manuscripts, books of account, or records; or

iv. 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:

i. The giving or surrendering of money or securities in any exchange or purchase;

ii. Accounting or arithmetical errors or omissions; or

iii. 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:

i. The contract of the named insured with said armored motor vehicle company;

ii. Insurance carried by said armored motor vehicle company for the benefit of users of its services; and

iii. 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:

i. any dishonest, fraudulent, criminal, libelous, slanderous or malicious act or omission of any insured;

ii. Willful or intentional disregard of the law;

iii. Bodily injury to, or sickness, disease or death of any person, including but not limited to, emotional or mental distress and related conditions;

iv. Injury to or destruction of any tangible property, including the loss of use thereof;

v. Fines or penalties imposed by law on any insured;

vi. Punitive, treble, exemplary, or similarly categorized damages, including fines and penalties; or

vii. 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 Pay*m*ents.** ***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:

      i. 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

      ii. 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:

i. Physical contact by any ***small*** ***unmanned aircraft*** ~~***system***~~ with any other ***aircraft***, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or

ii. Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies, and standards with respect to any ***small*** ***unmanned aircraft*** ~~***system***~~ including any amendment or addition to such regulations, certifications, rules, procedures, policies, and standards; or

iii. Knowingly not complying with any other federal, state, or local laws and regulations with respect to any ***small*** ***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:

i. 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;

ii. The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (i) above.

iii. 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:

i. When all of the work has been completed;

ii. When all of the work to be done at the site has been completed; or

iii. 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***:

      i. Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.

      ii. 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***.

      iii. 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.

      iv. 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 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, 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 adequately supply public utilities services including but not limited to gas, oil, water, electrical power, fuel, steam, biofuel, internet, or any other utilities.

j. Any ***sexual molestation or sexual abuse wrongful act.***

k. Physical contact by any ***small 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 ***small 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 ***small 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***:

      i. Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.

      ii. 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***.

      iii. 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 ***small 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 ***small 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 ***small 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

   i. The spouse, child, parent, brother, or sister of that employee as a consequence of Paragraph (1) above.

   ii. 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. The failure to adequately supply public utilities services including but not limited to gas, oil, water, electrical power, fuel, steam, biofuel, 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 ***small 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 ***small 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 ***small 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, engineer or accountant to any person or entity other than the ***named insured.***

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 XII – EMPLOYMENT PRACTICES LIABILITY INSURANCE

CLAIMS MADE ONLY

A. *Employment Practices 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. **Employment Practices 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*** by or on behalf of a volunteer, employee***,*** former employee or applicant for employment 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 employment practice act***. For this insuring agreement, two or more ***claims*** arising out of a single ***wrongful employment practice act*** shall be treated as a single ***claim***.

B. *Definitions Applicable to Employment Practices Liability Insuring Agreement*

The following definition is applicable to this section only. It 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 employment practice 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. A ***claim*** shall include complaints filed with the Idaho Human Rights Commission (IHRC) and the Equal Employment Opportunity Commission (EEOC). A ***claim*** also includes employment contract ***claims*** premised upon implied employment contracts.

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.

C. *Specific Conditions Applicable to Employment Practices 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. **Retroactive Date**. All ***wrongful employment practice 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.***

2. **Deductible**. Any ***claim*** for ***damages*** brought forth under this coverage section by any employee directly or indirectly reporting to ***you*** relating to personnel-related actions or omissions shall have the deductible apply as set forth below. This deductible applies for any ***claim*** arising out of wrongful termination, constructive discharge, ***retaliation***, suspension, failure to appoint or re-appoint, breach of employment contract, violation of due process rights relating to employment and/or any other constitutional or statutory rights, unlawful ***discrimination***, ***employment sexual harassment, employment harassment*** of any type, assault, battery, and/or any ***claim*** resulting from or related to any type of unlawful or unfair employment practice. This deductible applies whether the alleged ***damages*** arise from negligent, intentional or any other type of otherwise wrongful conduct. ***You*** will be responsible for the below referenced deductible of any settlement, judgment, or legal defense costs paid by ***us*** on ***your*** behalf with respect to any employment practices liability ***claims*** filed against ***you***. However, this deductible will be waived if ***you*** consult with ***us*** before such

employment action, ~~including termination or suspension of employment,~~ and followed all reasonable advice provided by ***us*** or an attorney assigned by ***us*** with respect to such employment action. The referenced deductible amount will be billed to ***you*** by ***us*** for any settlement, judgment or legal defense costs paid as the ***claim*** progresses. For each and every ***claim*** filed related to this coverage as detailed above, the deductible amount is as stated on the declaration page.

D. Exclusions Applicable to Employment Practices 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, Employment Practices Liability Insurance of this section does not cover any *claim* resulting from:**

   a. Any ***occurrence***, ***accident, wrongful act,*** or ***sexual molestation or sexual abuse wrongful act*** or other covered loss more specifically covered under any other section of this policy.

   b. 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 employment practice act*** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.

   c. A continuing ***wrongful employment practice act*** which 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***, however, this exclusion does not apply to a ***claim*** for ***damages*** arising out of ***employment sexual harassment.***

   f. ***Bodily injury*** or ***property damage.***

   g. Any dishonest, fraudulent, criminal, or malicious act, error, or omission, committed by or at the direction of any ***insured***.

   h. Any cost associated with providing any reasonable accommodation required by, made as a result of or to conform with the requirements of the Americans with Disability Act, or any similar federal, state or local law or ordinance, any amendments thereto and any rules or regulations promulgated thereunder or common law.

   i. Any labor strike, civil disturbance, riot, or civil commotion.

   j. Any fact or circumstance which has been the subject of any written notice given under any other insurance policy.

   k. Any fact or circumstance known prior to the inception date of the first policy issued by ***us***, which any ***insured*** knew or could have reasonably foreseen would result in a ***claim***.

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:

      i. ***Related sexual molestation or sexual abuse wrongful acts*** taking place thereafter;

      ii. Victims of ***related sexual molestation or sexual abuse wrongful acts***;

      iii. Locations where the ***related sexual molestation or sexual abuse wrongful acts*** took place;

      iv. ICRMP ***policy periods*** over which the ***related sexual molestation or sexual abuse wrongful acts*** took place; or

      v. 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***.

3. **"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, defoliants, 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:

    i. related ***wrongful acts*** taking place thereafter;

    ii. persons affected by related ***wrongful acts***;

    iii. locations where the related ***wrongful acts*** took place;

    iv. ICRMP policy periods over which the related ***wrongful acts*** took place; or

    v. 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 claim related to asbestos remediation or removal or any claim related 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 SECURITY & PRIVACY LIABILITY 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, 2024

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. Coverage Agreements. The following coverages are limited as described herein.

A. **Security & Privacy Liability.** ***We*** shall pay on ***your*** behalf arising from a ***claim*** first made against ***you*** and reported to ***us*** during the ***policy period*** against ***you*** for an actual or alleged ***security failure*** or ***privacy incident*** and reported to ***us*** as outlined.

B. **Security & Privacy Incident Response Expenses.** ***We*** shall pay on ***your*** behalf the ***incident response expenses***, resulting from actual or reasonably suspected ***security failure*** or ***privacy incident*** that is first discovered by ***you*** during the ***policy period***, and reported to ***us*** as outlined.

C. **Business Interruption.** ***We*** shall reimburse ***you*** any ***business loss***, only after the specified ***waiting period*** has expired resulting from a ***material interruption you*** incur directly as a result of a ***security failure*** which occurs during the ***policy period and*** reported to ***us*** as outlined.

D. **Data Recovery.** ***We*** shall reimburse ***you*** for all ***data recovery expenses you*** incur due to a ***security failure*** or ***privacy incident,*** provided that such ***security failure*** or ***privacy incident*** occurs during the ***policy period*** and reported to ***us*** as outlined.

E. **Regulatory Proceedings.** ***We*** shall pay on ***your*** behalf all ***defense costs*** and ***penalties*** arising from a ***regulatory proceeding*** first made during the ***policy period*** against ***you***, resulting from an actual or alleged ***security failure*** or ***privacy incident*** by ***you*** and reported to ***us*** as outlined.

F. **Cyber Extortion.** ***We*** shall reimburse ***you*** for ***extortion costs*** that ***you*** actually pay directly resulting from an ***extortion demand,*** provided that such ***extortion demand*** occurs during the ***policy period*** and repo received and reported to ***us*** during the ***policy period.***

G. **Social Engineering Financial Fraud.** ***We*** will pay or reimburse ***you*** for ***social engineering financial fraud losses*** from a ***social engineering financial fraud*** received and reported to ***us*** during the ***policy period***.

II. Defense of Claims and Settlements.

A. ***We*** have the right and duty to defend any ***claim*** against ***you*** covered under this endorsement, even if such ***claim*** is false, fraudulent or groundless, or any ***claim*** is in the form of a ***regulatory proceeding***, provided such ***claim*** is made and maintained within the United States of America, its territories or possessions; however, ***we*** shall not have the right or duty to defend any matters covered under insuring agreements b., c., d. or f. ***our*** duty to defend any ***claim*** shall cease upon the exhaustion of the applicable limit of liability under this endorsement by payment of loss.

B. With regard to any ***claim*** made or maintained outside the United States of America, its commonwealths, districts, territories or possessions, ***we*** shall not have any duty to assume charge of the investigation, defense or settlement of the ***claim***, but rather shall have the right and shall be given the opportunity to effectively associate with ***you*** in the investigation and defense of any such *claim*. In such cases, ***you*** shall investigate and defend as is reasonable and necessary.

C. ***You*** shall not admit or assume any liability, incur any defense costs or other costs or expenses covered under the endorsement, enter into any settlement agreement or stipulate to any judgment without ***our*** prior written consent. Any loss ***you*** incur and/or any settlements or judgments agreed to by ***you*** without such consent shall not be covered by this endorsement.

D. ***You*** shall give ***us*** full cooperation and such information as it may reasonably require relating to the defense and settlement of any ***claim***, or verification of any ***security failure, privacy incident or extortion demand*** and the prosecution of any counter-claim, cross-claim or third-party ***claim***, including without limitation the assertion of ***your*** indemnification or contribution rights.

E. ***We*** shall have the right to investigate and conduct negotiations and enter into the settlement of any ***claim*** that ***we*** deem appropriate.

II. Deductible. For each *claim, 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 ***claims***, 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 ***claims*** made, brought or individuals or entities making ***claims***.

B. **Program Aggregate Limit**

1. All coverage is subject to a Program Annual Aggregate Limit of $10,000,000 for each ***policy period***. The Program Annual Aggregate Limit is a shared limit among all ICRMP members and is the most ***we*** will pay for all ***claims*** for all ICRMP members covered under any ***policy period***. ***Claim expenses*** erode the Program Annual Aggregate Limit.

2. If the Program Annual 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***.

3. ***We*** may pay 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 Annual 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*** 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*** 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.

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 ***claim*** as soon as practicable and provide all such information relating to the ***claim*** as ***we*** may reasonably request.

C. If during the ***policy period***, ***you*** become aware of a ***claim*** that may reasonably be expected to give rise to a ***claim***, against an ***insured***, ***you*** must give written notice to ***us*** of such ***claim*** 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 ***claim***, including all relevant dates;

2. The names of persons involved in the ***claim***, including names of potential claimants and a specific description of any 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 event;

4. The specific nature of the alleged or potential damages arising from such event; and

5. The specific circumstances by which an ***insured*** first became aware of the event.

V. Exclusions

This endorsement does not any ***loss*** in connection with any ***claim, security failure, privacy incident or extortion demand:***

A. alleging, arising from, based upon or attributable to any deliberate criminal or deliberate fraudulent act by an ***insured*** if a final non-appealable adjudication establishes that such criminal or fraudulent act occurred;

B. alleging, arising from, based upon or attributable to the gaining in fact of any personal profit or advantage to which any ***insured*** is not legally entitled;

C. alleging, arising from, based upon or attributable to any actual or alleged liability of any ***insured*** under any express or implied warranty or guarantee;

D. alleging, arising from, based upon or attributable to, as of the applicable Pending or Prior Date set forth in the Declarations pages, any pending or prior: (i) litigation; or (ii) administrative or regulatory proceeding or investigation of which an ***insured*** had notice, including any ***claim*** or other covered matter alleging or derived from the same or essentially the same facts, circumstance, situation, transaction, event, act or omission as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

E. alleging, arising from, based upon or attributable to the same facts, circumstance, situation, transaction, event, act or omission alleged or contained in any ***claim, security failure, privacy incident or extortion demand*** which has been reported, or in which notice has been given, before the inception date of this policy as set forth in the declarations pages, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;

F. brought or maintained by any ***insured*** against any other ***insured;***

G. for bodily injury, emotional distress, mental anguish (except emotional distress or mental anguish when associated with a ***security failure or privacy incident***), sickness, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;

H. alleging, arising from, based upon or attributable to ***pollution*** in connection with any real property or facility which is or was at any time owned, operated, rented or occupied by ***you***;

I. for the failure to procure or maintain, or to advise of the need to procure or maintain, insurance, suretyship or bonds;

J. alleging, arising from, based upon or attributable to:

1. exposure to or discharge, release, escape, seepage, migration, dispersal or disposal of mold, fungi, mildew, yeast, bacteria or spores; or

2. any demand, request or order that ***you*** test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of mold, fungi, mildew, yeast, bacteria or spores;

K. alleging, arising from, based upon or attributable to nuclear reaction, radiation or contamination, under any circumstances and regardless of cause, within or originating from a nuclear reactor or any facility where nuclear waste or material is processed, stored or disposed;

L. alleging, arising from, based upon or attributable to, or in any way involving the Employee Retirement Income Security Act of 1974, amendments thereto and regulations promulgated or adopted thereunder, or similar provisions of federal, state, provincial, local laws or common law or any of their amendments; provided, however, this exclusion shall not apply to Insuring Agreements A., B. or E. for an actual or alleged ***security failure or privacy incident***;

M. alleging, arising from, based upon or attributable to any violation of the Securities Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, or any state Blue Sky or securities law or similar state or federal laws, including any regulation or order issued pursuant to any such law; provided however, this exclusion shall not apply to Insuring Agreements A., B. or E. for an actual or alleged ***security failure or privacy incident***;

N. alleging, arising from, based upon or attributable to any infringement of, misappropriation of, violation of or assertion of any rights to or interest in a patent or trade secret: (i) by, or on behalf of, ***you***; or (ii) by any other person or entity if such use or misappropriation is done with ***your*** knowledge, consent or acquiescence;

O. alleging, arising from, based upon or attributable to any actual or alleged anti-trust violation, price fixing, monopolization, predatory pricing, price discrimination, restraint of trade, unfair competition, consumer fraud, false, deceptive or unfair trade practices, false, deceptive or misleading advertising, violation of the Interstate Commerce Act of 1887, The Sherman Antitrust of 1890, The Clayton Act of 1914, The Robinson-Patman Act of 1938, The Cellar Kefauver Act of 1950, The Competition Act, or the Federal Trade Commission Act of 1914, amendments thereto, rules or regulations thereunder and amendments thereto, or similar provisions of any federal, state, local statutory or foreign law or common law; provided however, this exclusion shall not apply to Insuring Agreements A., B. or E. for actual or alleged violations of a ***security & privacy law***;

P. alleging, arising from, based upon or attributable to, or in any way involving discrimination, harassment, termination of employment, or failure to hire or promote suffered by an ***insured***, regardless of whether related to employment; provided however, this exclusion shall not apply to Insuring Agreements A., B. or E. for an actual or alleged ***security failure or privacy incident***;

Q. alleging, arising from, based upon or attributable to, or in any way involving the return or restitution of fees or other compensation charged by or paid to ***you*** for goods, products or services;

R. based upon or attributable to, or in any way involving the acts of or caused by an employee, other than a former employee, of any ***insured***;

S. alleging, arising from, based upon or attributable to, or in any way involving electrical or mechanical failures and/or interruption of infrastructure, including, but not limited to, any electrical disturbance, surge, spike, brownout or blackout, and outages to gas, water, telephone, cable, satellite, telecommunications or other infrastructure; provided however, this exclusion shall not apply to Insuring Agreements A. and B. for any ***security failure or privacy incident*** related to infrastructure of the ***computer system*** that is under ***your*** care, custody or control;

T. alleging, arising from, based upon or attributable to, in any way involving or in consequence of war, invasion, military action (whether or not war is declared), civil war, rebellion, revolution, insurrection, military or usurped power, or any action taken by governmental, public or local authority to confiscate, nationalize, seize, destroy or damage property;

U. in the event that such coverage would not be in compliance with any United States of America economic or trade sanctions, laws or regulations, including but not limited to the U.S. Treasury Department's Office of Foreign Assets Control, or any similar foreign, federal, state or statutory law or common law;

V. for taxes, fines and ***penalties***, except as provided with respect to Insuring Agreement E.;

W. for future profits, restitution, disgorgement of unjust enrichment or profits by ***you***, or the costs of complying with orders granting injunctive or equitable relief;

X. for matters that may be deemed uninsurable under applicable law and punitive, exemplary and multiplied damages; provided, however, if such damages are otherwise insurable under applicable law and regulation, coverage will be provided for an award of the damages made against ***you***, in excess of the deductible. The enforceability of the coverage provided by this provision shall be governed by such applicable law that most favors coverage for the insurability of such damages;

Y. for discounts, coupons, prizes, awards or other incentives offered to ***your*** customers or clients;

Z. for liquidated damages to the extent that such damages exceed the amount for which ***you*** would have been liable in the absence of such liquidated damages agreement;

AA. for the costs incurred:

1. to update, replace, restore, upgrade, maintain, enhance or improve data, software or any part of the ***computer system*** beyond the level at which it existed prior to the ***security failure, privacy incident*** or ***extortion demand***; and

2. to research and develop data or software, including intellectual property;

BB. for the economic or market value of data or software, including intellectual property;

CC. alleging, arising from, based upon or attributable to, or in any way involving an indirect or consequential loss of any nature; provided this exclusion shall not apply to Insuring Agreement C.;

Solely with respect to Insuring Agreements B. – D. and F., this policy shall not cover any ***loss*** in connection with any, ***security failure, privacy incident*** or ***extortion demand***

DD. alleging, arising from, based upon or attributable to, or in any way involving performance of any obligation assumed by, on behalf of, or with ***your*** consent;

EE. alleging, arising from, based upon or attributable to, or in any way involving any fees or expenses incurred or paid by any Insured in establishing the existence of or amount of ***loss***; however, this exclusion shall not apply to Insuring Agreement B.;

FF. alleging, arising from, based upon or attributable to, or in any way involving any potential income, including but not limited to interest and dividends not realized by ***you*** or any third party; provided that this exclusion shall not apply to ***business loss*** otherwise covered under Insuring C.

VI. Definitions

A. "**Application**" means all signed applications, including any attachments and other materials provided therewith or incorporated therein, submitted in connection with the underwriting of this endorsement.

B. "**Business Loss**" means

1. Costs that would not have been incurred but for a ***material interruption***;
2. The sum of all of following, which shall be calculated on an hourly basis:
   a. Net income (Net profit or loss before income taxes) that would have been earned; and
   b. Continuing normal operating expenses incurred, including payroll.

C. "**Claim**" means any

1. written demand received by ***you*** for monetary or non-monetary relief or services;
2. civil, judicial, administrative, or arbitral or regulatory proceeding for monetary relief commenced against ***you*** which is commenced by:
   a. service of a complaint or similar pleading;
   b. demand for or notice of arbitration; or
   c. receipt or filing of a notice of charges;
3. with respect to Coverage E, a ***regulatory proceeding*** made against ***you***;

D. "**Cleanup Costs**" means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of ***pollutants***.

E. "**Computer System**" means hardware, software, portable devices, peripheral devices, wireless and mobile devices, data storage, network equipment or electronic backup connected together through a network and under ***your*** care, custody or control or a ***third party computer system service provider***.

F. "**Cyberterrorism**" means the premeditated use of disruptive activities against the ***computer system*** by an individual or group of individuals, or the explicit threat by an individual or group of individuals to use such activities, with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives. "Cyberterrorism" does not include ***cyberwarfare***. "Cyberwarfare" as used herein means actions by a nation-state to penetrate the Computer System for the purposes of causing damage or disruption.

G. "**Data Recovery Expenses**" means the reasonable and necessary fees, costs, charges or expenses, sustained with ***our*** prior written consent, such consent not be unreasonably withheld, resulting from a theft, loss, alteration, damage, deletion, or destruction of any electronic data or software which is under ***your*** care, custody or control or for which ***you*** are legally liable:

1. incurred to replace, restore, or recollect electronic data or software stored on the ***computer system*** from written records or partially or fully matching data or software, including the capacity of the ***computer system*** to store, process or transmit information; and

2. incurred to retain a third-party computer security expert or forensic investigator to determine if electronic data or software can or cannot be replaced, restored or recollected; provided, however, that in the event that electronic data or software cannot be replaced, restored or recollected, ***loss*** shall be limited to the reasonable and necessary fees, costs, charges or expenses incurred to reach this determination.

For the purposes of ***data recovery expenses*** electronic data includes ***private information*** in an electronic or digitized format. D***ata recovery expenses*** shall not include any of ***your*** salary or overhead expenses.

H. "**Defense of Costs**" means:

1. reasonable and necessary fees, costs, charges or expenses resulting from the investigation, defense or appeal of a ***claim***;

2. premium for an appeal, attachment or similar bond, but without any obligation to apply for and obtain such bond;

3. any fees, costs, charges or expenses ***you*** incur at ***our*** specific request to assist ***us*** in the investigation, defense or appeal of a ***claim***.

"Defense Costs" does not include amounts incurred prior to the date a ***claim*** is first made and reported to ***us***, pursuant to the terms of this endorsement, or compensation or benefits of any ***insured*** or your overhead expenses.

I. "**Extortion Costs**" means:

1. reasonable and necessary costs ***you*** sustained with ***our*** prior written consent, which shall not be unreasonably withheld, to utilize a computer security expert or a forensic investigator to determine who is responsible for an ***extortion demand***; and

2. money, securities or other tangible or intangible property of value provided by ***you*** with ***our*** prior written consent, which shall not be unreasonably withheld, to a party responsible for an ***extortion demand*** for the purpose of terminating such ***extortion demand***.

J. "**Extortion Demand**" means:

1. ***Privacy Extortion Demand;*** or

2. ***Security Extortion demand***

K. "**Incident Response Expenses**" means the reasonable and necessary expenses, sustained with ***our*** prior written consent such consent shall not be unreasonably withheld:

1. We may retain an attorney to advise ***you*** on minimizing the harm to ***you***, including: (a) maintaining and restoring public confidence in ***you***; (b) applicability of and actions necessary by ***you*** to comply with any ***security & privacy law*** relating to an actual or suspected ***security failure or privacy***

incident; or (c) to determine whether ***you*** have a right of indemnification from another party for an otherwise covered ***loss***;

2. We may retain a computer security expert or a forensic investigator to determine the existence, cause and extent of any actual or suspected ***security failure or privacy incident***;

3. We may retain a public relations or crisis management consultant, including costs to provide advertising and public relations media and activities relating to an actual or suspected ***security failure or privacy incident***;

4. to notify those whose ***private information*** is connected to an actual or suspected ***security failure or privacy incident*** and advise of any available remedy in connection with the ***security failure or privacy incident***, including those expenses and costs for advertising, printing and mailing of materials;

5. for identity theft education and assistance including credit freezes, identity theft call center services, credit file or identity monitoring and victim reimbursement insurance made available to those persons notified about a ***security failure or privacy incident*** pursuant to subparagraph (4) above.

6. for any other services approved by ***us*** at our sole and absolute discretion.

"Incident Response Expenses" shall not include any of ***your*** salary or overhead expenses.

L. "**Information Handler**"" means a third party that (i) ***you*** have provided ***private information*** to; (ii) ***you*** have given access to ***private information***; or (iii) has received ***private information*** on ***your*** behalf.

M. "**Loss**" means:

1. Damages, settlements or judgments;

2. Pre-judgment or post-judgment interest;

3. Court costs and attorney fees awarded in favor of a claimant and against ***you***.

4. ***Defense costs***;

5. ***Incident response expenses;***

6. ***Business loss***;

7. ***Data recovery expenses***;

8. ***Penalties***; and

9. ***Extortion costs***.

N. "**Material Interruption**" means the actual and measurable interruption or suspension of ***your*** business directly caused by a ***security failure***.

O. "**Penalties**" means any civil fine or money penalty to any federal, state, local or foreign governmental entity that was imposed in a ***regulatory proceeding*** by such governmental entity in its regulatory or official capacity. The insurability of ***penalties*** shall be in accordance with such applicable law that most favors coverage for such ***penalties.***

P. "**Period of Restoration**" means the period of time beginning immediately after the ***material interruption*** occurs, and continues until the ***computer system*** is or cold have been repaired or restored, with due

diligence and promptness, to the same functionality and level of service that existed prior to the ***material interruption,*** and in no event exceeding one hundred and twenty (120) consecutive days.

Q. "**Policy Period**" means the period of time from the effective date to the expiration date specified in the declarations pages, or any earlier cancellation date.

R. "**Personally Identifiable Information"** means:

1. including, but not limited to, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories or passwords;

2. an individual's "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;

3. an individual's medical or heath care information, including "protected health information" or "electronic protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, or the Health Information Technology for Economic and Clinical Health Act (HITECH) and regulations issued pursuant to the Acts, or protected health related information under any similar federal, state, local or foreign law;

4. an individual's private personal information as defined under ***security & privacy law***;

S. "**Privacy Regulations**" means any federal, state, local or foreign statute or regulation requiring ***you*** to limit or control the collection, use of, or access to, ***private information*** in ***your*** possession or under ***your*** control, or obligating ***you*** to inform individuals of the ***unauthorized access*** to or disclosure of such ***private information***, including but not limited to the following statutes and regulations:

1. the Health Insurance Portability and Accountability Act of 1996 (Public Law 104 -191), including Title II requiring protection of confidentiality and security of electronic protected health information, and as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), any rules and regulations promulgated thereunder as they currently exist and as amended, and any related state medical privacy laws as they currently exist and as amended;

2. the Gramm-Leach-Bliley Act of 1999, also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder as they currently exist and as amended;

3. section 5(a) of the Federal Trade Commission Act, 15 U.S.C. 45(a), but solely with respect to alleged unfair or deceptive acts or practices in or affecting commerce;

4. federal, state or local privacy protection regulations or laws, such as the California Database Protection Act of 2003 (previously called SB 1386), the Telephone Consumer Protection Act of 1991, the CAN-SPAM Act of 2003, as they currently exist now or may be amended, associated with the control and use of, or limiting ***unauthorized access*** to, personal information, including but not limited to requirements to post privacy policies, adopt specific privacy controls, or inform customers of breaches of security that has or may impact their personal information

5. federal, state or local data breach regulations or laws, as they currently exist now or in the future, imposing liability for failure to take reasonable care to guard against ***unauthorized access*** to credit or debit account information that is in ***your*** possession or under ***your*** control;

6. identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003;

7. federal and state consumer credit reporting laws, such as the Federal Fair Credit Reporting Act (FCRA) and the California Consumer Credit Reporting Agencies Act (CCCRAA);

8. the Children's Online Privacy Protection Act of 1998; or

9. Privacy protection regulations or laws adopted by countries outside of the United States, such as the EU General Data Protection Regulation, the Canadian Personal Information Protection and Electronic Documents Act and the Australian Privacy Act, as they currently exist now or may be amended, associated with the collection, control and use of, or limiting ***unauthorized access*** to, personal information.

T. "**Pollutants**" means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on, any list of hazardous substances issued by the United States Environmental Protection Agency or any foreign, state, county, municipality, or locality counterpart thereof. Such substances shall include, without limitation, nuclear material or waste, any solid, liquid, gaseous or thermal irritant or contaminant, or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials. ***Pollutants*** shall also mean any other air emission, odor, wastewater, oil or products containing oil, lead or products containing lead, infectious or medical waste, and any noise.

U. **"Pollution"** means the actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of ***pollutants*** into or on real or personal property, water or the atmosphere. ***Pollutants*** into or on real or personal property, water or the atmosphere. ***Pollution*** also means any ***cleanup costs.***

V. "**Privacy Extortion Demand"** means any reasonably credible threat or demand or connected series of threats or demands to unlawfully use or disclose ***private information.*** The purpose of the threat or demand is to obtain money, securities or other tangible or intangible property of value from ***you***.

W. "**Privacy Incident"** means the following:

1. any failure to protect ***private information*** (whether by "phishing," other social engineering technique or otherwise) including, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation;
2. any failure to disclose an event referenced in Sub-paragraph (1) above in violation of any ***security & privacy law;***
3. any unintentional failure of an Insured to comply with those parts of ***your*** privacy policy that (a) prohibit or restrict the disclosure or sale of ***private information*** by ***you***, or (b) require ***you*** to allow an individual to access or correct p***rivate information*** about such individual; or
4. any violation of a federal, state, foreign or local privacy statute alleged in connection with a ***claim*** for a failure described in Sub-paragraphs (1) or (2) above.

X. "**Private Information"** means any of the following in ***your*** or ***information handler's*** care, custody or control or for which ***you*** or ***information handler's*** is legally responsible:

1. ***Personally identifiable information;*** or

2. ***Third Party corporate information.***

Y. "**Regulatory Proceeding**" means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding alleging a ***security failure or privacy incident***.

Z. "**Security Extortion Demand**" means any reasonably credible threat or demand or connected series of threats or demands to commit, continue or resume an intentional attack against the ***computer system***

where the purpose of the threat or demand is to obtain money, securities or other tangible or intangible property of value from ***you***.

AA. "**Security Failure**" means any:

1. unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code due to a failure or violation of the security of the ***computer system*** or any other failure or violation of the ***computer system***;
2. failure to disclose an event referenced in Sub-paragraphs (1) above in violation of any ***security & privacy law***;
3. theft of a password or access code from ***your*** premises, the ***computer system***, or by non-electronic means;
4. physical theft of hardware controlled by ***you*** (or components thereof) on which electronic data is stored from a premises occupied and controlled by ***you.***

BB. "**Security & Privacy Law**" means any federal, state, local or foreign statute or regulation that requires ***you***:

1. to have protocols in place to protect the ***computer system***; or

2. to collect or store ***private information*** or has provided ***private information*** to an ***information handler***, to provide notice of any actual or reasonably suspected ***security failure or private incident***, including the statute known as California SB 1386 (CIV §1798.82, et. seq. of the California Civil Code).

CC. **"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 ***yours***.

DD. **"Social Engineering Financial Fraud Loss"** means loss of money directly resulting from a ***social engineering financial fraud*** event.

EE. "**Third Party Computer System Service Provider**" means:

1. A provider of "cloud computing" or other hosted computer resources to ***you***; or

2. A provider of information technology services required by ***you*** to operate the ***computer system***.

FF. **Waiting Period**" means the number of hours set forth in the declarations pages that must lapse once a ***material interruption*** has begun.

VII. Limits of Liability

A. The amount indicated in declarations pages stated is the most ***we*** will pay in the aggregate under this endorsement, under all coverages combined, for:

1. all ***damages***, *including* ***regulatory fines***, ***consumer redress funds*** *and all* ***claim expenses*** *from all* ***claims***;

2. all ***breach response costs*** from all ***security breaches***; and

3. all ***losses***

regardless of the number of acts, errors, or omissions, persons or entities covered by this endorsement, claimants, ***claims***, ***losses*** *or* ***security breaches***, or coverages triggered.

B. When listed in the declarations pages as stated within the amount indicated as the sublimits applicable to a Coverage, is the most ***we*** will pay under this endorsement in the aggregate under the individual coverage, regardless of the number of regardless of the number of acts, errors, or omissions, persons or entities covered by this endorsement, claimants, ***claims***, ***losses*** or ***security breaches***. These sublimits are part of and not in addition to the ***endorsement aggregate limit***.

C. If any ***claim*** or any single ***claim*** is covered under more than one coverage, the highest applicable sublimits shall be the most ***we*** shall pay as to such ***claim*** or single ***claim*** and such ***claim*** or single ***claim*** shall be subject to the highest applicable deductible.

VIII. Deductible

A. The deductible for each Coverage is stated in the declarations pages. The applicable deductible shall be first applied to ***damages***, ***claim expenses***, ***losses*** and ***breach response costs*** covered by this endorsement and ***you*** shall make direct payments within the deductible to appropriate other parties designated by ***us***. ***We*** shall be liable only for the amounts in excess of the deductible, not to exceed the applicable sublimits or ***endorsement aggregate limit***.

B. With respect to Coverages A, B, C, D, E, and G the deductible shall be satisfied by ***your*** payments of ***damages*** and ***claim expenses*** resulting from ***claims first made*** and reported to ***us*** during the ***policy period***. With respect to Coverage C, the deductible shall be satisfied by ***your*** payments of ***breach response costs*** resulting from a ***security breach*** that occurred during the ***policy period*** and is reported by ***you*** to ***us*** during the ***policy period***.

C. With respect to Coverage E, if the ***network disruption*** has exceeded the waiting period in hours set forth in the declarations pages, then ***business income loss*** will be subject to the applicable deductible set forth in the declarations pages and shall be computed as of the commencement of the ***network disruption***.

D. One deductible shall apply to each single ***claim*** or ***loss*** under such coverages.

E. At ***our*** sole and absolute discretion, ***we*** may pay all or part of the applicable deductible, in which case ***you*** agree to repay ***us*** immediately after ***we*** notify ***you*** of the payment. The applicable deductible shall first be applied to any ***loss*** covered by this endorsement that is paid by ***us***, or by ***you*** with ***our*** prior written consent.

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.

#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. **Covered Cause of Loss.** Covered cause of loss is a ***breakdown*** to ***covered equipment***.

2. **Coverages Provided.** Each of the following coverages is provided if either a limit or the word "included" is shown for that coverage in the declarations pages at the front of this policy. These coverages apply only to that portion of the loss or damage that is a direct result of a covered cause of loss. The limits for coverages provided are part of, not in addition to, the per occurrence limit of indemnification for equipment breakdown shown in the declarations pages at the front of this policy.

   a. **Property Damage.** ***We*** will pay for direct damage to ***insured property*** located at the premises described in the schedule of values on file with ***us***.

   b. **Expediting Expenses.** With respect to direct damage to ***insured property***, ***we*** will pay for the extra cost ***you*** necessarily incur to:

      (1) Make temporary repairs; and

      (2) Expedite the permanent repairs or replacement of the damaged property.

   c. **Extra Expense Only.** ***We*** will pay:

      (1) The ***extra expense only you*** necessarily incur to operate ***your*** business during the ***period of restoration***. However, ***business income*** is not provided.

      (2) A number of days is shown in the declarations pages in the front of this policy for extended ***period of restoration***, which goes beyond the five consecutive days in the definition of ***period of restoration***.

      (3) If ***media*** are damaged or ***data*** are lost or corrupted, ***we*** will pay ***your*** actual loss of ***extra expense only*** during the time necessary to:

         (a) Research, replace or restore the damaged ***media*** or lost or corrupted ***data***; and

         (b) Reprogram instructions used in any covered ***computer equipment***.

      However, there shall be no coverage for any ***media*** or ***data*** that ***we*** determine are not or cannot be replaced or restored. The limit for ***data*** or ***media*** is listed on the declarations pages at the front of this policy, and ***we*** will pay the lesser of ***your*** actual loss of ***extra expense only*** up to 30 days after the ***period of restoration***.

(4) If loss to ***insured property*** occurs as a result of contamination by refrigerants (including ammonia) resulting from a ***breakdown*** to refrigerating vessels or piping, ***we*** will also pay ***your*** resulting actual loss of ***extra expense only*** resulting from such loss, up to the ***extra expense only*** limit of insurance listed on the declarations pages in the front of this policy.

(5) ***Extra expense only*** resulting from loss or damage under any other coverage within this endorsement is not covered unless such coverage specifically includes ***extra expense only***.

d. **Spoilage Damage.** ***We*** will pay for 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 lack of excess of power, light, heat, steam or refrigeration.

We will also pay 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 no exceed the amount of loss that otherwise would have been payable under this endorsement.

e. **Utility Interruption.** For ***extra expense only*** and spoilage damage coverages, they are extended to include loss resulting from interruption of utility services, provided all of the following conditions are met:

(1) The interruption is the direct result of a ***breakdown*** to ***covered equipment*** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which ***you*** receive;

(2) The ***covered equipment*** is used to supply electric power, communication services, air conditioning, heating, gas, sewer, water or steam to ***your*** premises; and

(3) The interruption of utility service to ***your*** premises lasts at least the consecutive period of time shown in the declarations pages at the front of this policy. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

f. **Newly Acquired Premises.** ***We*** will automatically provide coverage at newly acquired premises ***you*** have purchased or leased. This coverage begins at the time ***you*** acquire the property and continues for a period not exceeding ninety (90) additional days, under the following conditions:

(1) ***You*** must inform ***us***, in writing, of the newly acquired premises as soon as practicable;

(2) ***You*** agree to pay an additional premium as determined by ***us***;

(3) The coverage for these premises will be subject to the same terms, conditions, exclusions and limitations as other insured premises; and

(4) If the coverages and deductibles vary for existing premises, then the coverages for the newly acquired premises will be the broadest coverage and highest limits and deductible applicable to the existing premises.

g. **Ordinance or Law Coverage.** The following applies despite the ordinance or law exclusion and provided these increases in loss are necessitated by the enforcement of or compliance with any ordinance or law that is in force at the time of the ***breakdown***, which regulates the demolition, construction, repair or use of the building or structure. With respect to the building or structure that was damaged as a result of the ***breakdown***:

(1) ***We*** will pay for:

(a) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of or compliance with an ordinance or law that requires the demolition of undamaged parts of the same building or structure;

(b) ***Your*** actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of or compliance with an ordinance or law that requires the demolition of such undamaged property; and

(c) The increased cost actually and necessarily expended to:

(i) Repair or reconstruct the damaged or destroyed portions of the building or structure; and

(ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area and style for like occupancy, whether or not demolition is required on:

1. The same premises or on another premises if ***you*** so elect. However, if ***you*** rebuild at another premises, the most ***we*** will pay is the increased cost of construction that ***we*** would have paid to rebuild at the same premises; or

2. Another premises if the relocation is required by the ordinance or law. The most ***we*** will pay is the increased cost of construction at the new premises.

(2) ***We*** will not pay for any:

(a) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;

(b) Increase in loss until the damaged or destroyed buildings or structures are actually rebuilt or replaced and approved by the regulating government agency;

(c) Loss due to any ordinance or law that:

(i) ***You*** were required to comply with before the loss, even if the building was undamaged; and

(ii) ***You*** failed to comply with;

(d) Increase in loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the ***breakdown***;

(e) Increase in loss resulting from a substance declared to be hazardous to health or environment by any government agency;

(f) Loss or expense sustained due to the enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to the presence, growth, proliferation, spread or any activity of

fungus, wet or dry rot; or

(g) Costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of ***fungus***, wet or dry rot.

(3) If:

(a) The building or structure is damaged by a ***breakdown*** that is covered under this policy;

(b) There is other physical damage that is not covered under this endorsement; and

(c) As a result of the building damage in its entirety, ***you*** are required to comply with the ordinance or law;

Then ***we*** will not pay for the full amount of the loss under this coverage. Instead ***we*** will pay only that portion of such loss, meaning the proportion that the covered ***breakdown*** loss bears to the total physical damage. But if the building or structure sustains direct physical damage that is not covered under this endorsement and such damage is the subject of the ordinance or law, then there is not ordinance or law coverage under this coverage part even if the building has also sustained damage by a covered ***breakdown***.

h. **Errors and Omissions.** ***We*** will pay for any loss or damage, which is not otherwise payable under this coverage part, solely because any error or unintentional omission by ***you*** in the description or location of property as listed in the ***schedule of values***. No coverage is provided as a result of any error or unintentional omission by ***you*** in the reporting of the ***schedule of values***. The limit is listed on the declarations pages at the beginning of this policy.

i. **Loss Adjustment Expenses.** ***We*** will pay for reasonable and necessary expenses ***you*** incur in preparing claim data or preparing income statements when required by ***us***, including the cost of taking inventories, obtaining appraisals, and preparing other documentation, to determine the extent of covered loss or damage. ***We*** will not pay for any fees, costs or expenses incurred, directed or billed by, or payable to attorneys, public adjusters, loss adjusters, loss consultants, or their associates or subsidiaries; or insurance brokers or agents or their associates or subsidiaries, without our written consent prior to such expenses being incurred; or any costs described in the appraisal condition in the equipment ***breakdown*** protection conditions section. The most ***we*** will pay for all expenses incurred under this endorsement for any ***one breakdown*** is the loss adjustment expense coverage limit of insurance shown in the declarations pages at the front of this policy.

j. **Off Premises Equipment Coverage.** Coverage is extended for loss or damage to ***insured property*** as a direct result of a ***breakdown*** to ***covered equipment*** while such equipment is away from the premises described in the ***schedule of values*** and is operated under ***your*** control, situated at a fixed location and not in transit, and in use or connected and ready to use.

B. ***Definitions Applicable to Equipment Breakdown Insurance Endorsement***

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

1. "***Breakdown***"
   a. Means sudden and accidental direct physical loss to ***covered equipment***, which manifests itself by physical damage, necessitating its repair or replacement, unless loss or damage is otherwise excluded within this section.

b. Does not mean or include:

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

(ii.) Defects, erasures, programming errors or limitations in ***computer equipment*** and programs (including the ability to recognize and process any date or time or provide instructions to ***covered equipment***;

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

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

(v.) Damage to any structure or foundation supporting the ***covered equipment*** or any of its parts;

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

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

2. ***"Computer Equipment"*** means ***your*** programmable electronic equipment that is used to store, retrieve and process ***data***; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as ***data*** transmission. It does not include ***data*** or ***media***.

3. ***"Covered Equipment"***

a. Means and includes any:

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

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

(iii.) Communication equipment, and ***computer equipment***.

b. Does not mean or include any:

(1) ***Media***

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

(3) Insulating or refractory material, but not excluding the glass lining of any ***covered equipment***;

(4) 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;

(5) Catalyst;

(6) Vessels, wiring, cable (including fiber optic cable) piping (including conduit or other piping containing wiring and cable) and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

(7) Structure, foundation, cabinet or compartment supporting or containing all or part of the ***covered equipment*** including penstock, draft tube or well casing;

(8) ***Vehicle***, ***aircraft***, self-propelled equipment or floating vessel, including any ***covered equipment*** that is mounted upon or solely with any one or more vehicle(s), ***aircraft***, self-propelled equipment or floating vessel;

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

(10) Felt, wire, screen, die, molds, forms, patterns, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;

(11) Equipment or any part of such equipment manufactured by ***you*** for sale.

(12) ***Mobile equipment***.

4. ***"Cyber Attack"*** means any alteration, manipulation or destruction of ***covered equipment***, ***computer equipment***, ***data***, ***media*** or any ***insured property***, based upon or arising from:

   a. any actual or alleged cyber security breach, cyber system failure (including breach or failure of a third party network provider) or voluntary shutdown from such cyber breach or failure, cyber ransom or extortion event, privacy regulation violation (including wrongful collection of personal identifiable information);

   b. cyber-crime including theft, unauthorized access of computer resources, phishing or social engineering loss;

   c. any network restoration costs, crisis response or reputational harm resulting from a. and b.

5. ***"Data"*** means:

   a. Programmed and recorded material stored on ***media***; and

   b. Programming records used for electronic ***data*** processing, or electronically controlled equipment.

7. ***"Diagnostic Equipment"*** means machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes including any ***covered equipment*** that is mounted upon or used solely with any one or more machine(s) or apparatus.

8. ***"Extra Expense Only"*** means the additional cost ***you*** incur to operate ***your*** business during the ***period of restoration*** over and above the cost that ***you*** normally would have incurred to operate the business during the same period had no ***breakdown*** occurred.

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

10. ***"Hazardous Substance"*** means any substance other than refrigerants (including ammonia) that has been declared to be hazardous to health by a government agency.

11. ***"Media"*** means electronic ***data*** processing or storage media such as films, tapes, discs, drums or cells.

12. ***"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***.

13. ***"Period of Restoration"*** means the period of time that:

    a. Begins at the time of the ***breakdown***; and

    b. Ends five consecutive days after the date when the damaged property at the premises described in the schedule of values is repaired or replaced with reasonable speed and similar quality.

14. ***"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 in Section III General Conditions of this policy and Section V Property Exclusions.

1. 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 declarations pages at the front of this policy.

2. Any payment made will not be increased if more than one insured is shown in the declarations pages.

3. For each coverage, if:

    a. INCLUDED is shown in the declarations pages, the limit for such coverage is part of, not in addition to, the limit per ***breakdown***.

    b. A limit is shown in the declarations pages, such limit of insurance is the most ***we*** will pay for all loss, damage, cost or expense provided under that coverage.

4. For any ***covered equipment*** that is:

    a. Used solely to supply utility services to ***your*** premises;

    b. Owned by a public or private utility; or, if ***you*** are a public or private utility, owned by a public or private utility other than ***you***;

    c. Not in ***your*** care, custody or control and for which ***you*** are legally liable; and

    d. Covered under this endorsement;

    e. the limit of insurance for property damage stated in the declarations pages is replaced by the sum of one dollar.

5. **Abandonment.** There can be no abandonment of any property to ***us***.

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

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

7. **Valuation**.

   a. ***We*** will determine the value of ***insured property*** in the event of loss or damage as follows:

      (1) The cost to repair, rebuild or replace the damaged property with property of the same kind, capacity, size or quality on the same site or another site, whichever is the less costly; or

      (2) The cost actually and necessarily expended in repairing, rebuilding or replacing on the same site or another site, whichever is the less costly, but at no time exceeding the value listed in the ***schedule of values***.

   Except ***we*** will not pay for such damaged property that is obsolete and useless to ***you***.

8. If ***we*** require that the repair or replacement of the damaged ***covered equipment*** be done in a manner that enhances safety while maintaining the existing function, then ***we*** will pay, subject to the limit of insurance, up to an additional 10% of the property damage amount for the ***covered equipment*** otherwise recoverable.

9. Unless ***we*** agree otherwise in writing, if ***you*** do not repair or replace the damaged property within 24 months following the date of the ***breakdown***, then ***we*** will pay only the smaller of the:

   a. Cost it would have taken to repair or replace; or

   b. ***Actual cash value*** at the time of the ***breakdown***.

10. ***We*** will pay for loss to damaged ***data*** or ***media*** as follows:

    a. Replacement cost for ***data*** or ***media*** that are mass produced and commercially available; and

    b. The cost ***you*** actually spend to reproduce the records on blank material for all other ***data*** or ***media***, including the cost of gathering or assembling information for such reproduction.

    c. However, ***we*** will not pay for ***data*** or media that ***we*** determine are not or cannot be replaced with ***data*** or ***media*** of like kind and quality or property of similar functional use.

11. ***We*** will determine the value of ***insured property*** under spoilage damage coverage as follows:

    a. For raw materials, the replacement cost;

    b. For property in process, the replacement cost of the raw materials, the labor expended and the proper proportion of overhead charges; and

    c. For finished products, the selling price, as if no loss or damage had occurred, less any discounts ***you*** offered and expenses ***you*** otherwise would have had.

    d. Any salvage value of property obtained for temporary repairs or use following a ***breakdown*** which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

12. **Suspension.** Whenever ***covered equipment*** is found to be in, or exposed to, a dangerous condition, ***we*** may immediately suspend the insurance against loss from a ***breakdown*** to that ***covered equipment*** 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.

D. Exclusions Applicable to Equipment Breakdown Insurance Endorsement

We will not pay for loss or damage caused directly or indirectly by any of the following, even if the loss or damage otherwise qualifies as a covered ***breakdown***. Such loss or damage is excluded, regardless of any other cause or event that contributes concurrently or in any sequence to the loss. The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. **Ordinance or Law.** Increase in loss from the enforcement of or compliance with any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of ***insured property***. However, the words use and operation shall be eliminated as respects a covered ***breakdown*** to electrical supply and emergency generating equipment located on the premises of a hospital.

2. **Earth Movement.** Earth movement, including, but not limited to, earthquake, tremors and aftershocks relating to earthquake, landslide, land subsidence, mine subsidence or volcanic action, whether naturally occurring or man-made, including excavation or grading costs.

3. **Water.**

   a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water (whether naturally occurring or man-made), or spray from any of these, all whether or not driven by wind (including storm surge);

   b. Mudslide or mudflow;

   c. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

   d. Water damage caused by the:

      (1) Discharge or leakage of a sprinkler system or domestic water piping; or

      (2) Intrusion of rain, sleet or snow that enters through the building envelope, including, but not limited to the roof, windows or doors;

   e. Water under the ground surface pressing on, or flowing or seeping through:

      (1) Foundations, walls, floors or paved surfaces;

      (2) Basements, whether paved or not;

      (3) Doors, windows or other openings; or

   f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a., c. or e., or material carried or otherwise moved by mudslide or mudflow.

   This exclusion applies, regardless of whether any of the above, in Paragraphs a. through f., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

4. **Nuclear Hazard.** Nuclear reaction or radiation, or radioactive contamination, however caused.

5. **War or Military Action.**

   a. War, including undeclared or civil war;

   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

   c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

6. An explosion. However, ***we*** will pay for loss or damage caused by an explosion of ***covered equipment*** of a kind specified in a. through g. below, if not otherwise excluded in this Section:

   a. Steam boiler;

   b. Electric steam generator;

   c. Steam piping;

   d. Steam turbine;

   e. Steam engine;

   f. Gas turbine; or

   g. Moving or rotating machinery when such explosion is caused by centrifugal force or mechanical ***breakdown***.

7. Fire or combustion explosion including those that:

   a. Result in a ***breakdown***;

   b. Occur at the same time as a ***breakdown***; or

   c. Ensue from a ***breakdown***.

8. ***Fungus***, Wet Rot and Dry Rot. Presence, growth, proliferation, spread or activity of ***fungus***, wet or dry rot. However, if a ***breakdown*** occurs, ***we*** will pay the resulting loss or damage. This exclusion does not apply to the extent that coverage for ***fungus***, wet rot or dry rot is provided elsewhere in this endorsement and then only for that portion of any loss or damage resulting from the presence, growth, proliferation, spread or activity of ***fungus***, wet or dry rot as a result of a ***breakdown***.

9. Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However:

   a. If a ***breakdown*** occurs, ***we*** will pay the resulting loss or damage;

   b. This exclusion does not apply to loss or damage caused by or resulting from ***fungus***, wet rot or dry rot. Such loss or damage is addressed in Exclusion B.8.;

c. Regardless of the application of this exclusion to any particular loss, the provisions of this Exclusion 9. do not serve to create coverage for any loss that would otherwise be excluded under this endorsement.

10. Explosion within the furnace of a chemical recovery type boiler or within the passage from the furnace to the atmosphere.

11. Damage to ***covered equipment*** undergoing a pressure or electrical test.

12. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.

13. Depletion, deterioration, corrosion, erosion or wear and tear. However, ***we*** will pay the resulting loss or damage, if a ***breakdown*** ensues.

14. Any of the following causes of loss:

    a. ***Aircraft***, missiles or vehicles;

    b. Freezing caused by cold weather;

    c. Lightning, wind or hail;

    d. Sinkhole collapse;

    e. Smoke;

    f. Riot, civil commotion or vandalism;

    g. Weight of snow, ice or sleet;

    h. Theft or burglary, including any property damaged during a theft or burglary;

    i. Impact of objects falling from an aircraft or missile;

    j. Collapse of the building or structure at the premises where the ***covered equipment*** is sited;

    k. Acts of sabotage;

    l. Act(s) of load shedding, intentional shutdown or slowdown by the supplying utility, not resulting from a covered ***breakdown*** to ***covered equipment***; or

    m. ***Cyber attack***.

15. A delay in, or an interruption of, any business, manufacturing or processing activity except as provided by ***extra expense only*** and utility interruption coverages.

16. With respect to ***extra expense only*** and utility interruption coverages, the following additional exclusions shall apply:

    a. The business that would not or could not have been carried on if the ***breakdown*** had not occurred;

    b. ***Your*** failure to use due diligence and dispatch and all reasonable means to operate ***your*** business as nearly normal as practicable at the premises shown in the schedule of values; or

c. The suspension, lapse or cancellation of a contract following a ***breakdown*** extending beyond the time business could have resumed if the contract had not lapsed, been suspended or canceled.

17. Any indirect loss following a ***breakdown*** to ***covered equipment*** that results from the lack or excess of power, light, heat, steam or refrigeration, except as provided by ***extra expense only***, spoilage damage and utility interruption coverages.

18. Any consequential loss or damage from, or any indirect result of, a ***breakdown*** to ***covered equipment*** except as provided by ***extra expense only***, spoilage damage, utility interruption or undamaged ***stock*** coverages.

19. Neglect by ***you*** to use all reasonable means to save and preserve ***insured property*** from further damage at and after the time of the loss.

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.

#7 ATTORNEY CONSULTATION 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.

A. INSURING AGREEMENT APPLICABLE TO ATTORNEY CONSULTATION AMENDATORY ENDORSEMENT

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

1. ***We*** agree to pay ***defense costs*** for attorney fees incurred by ***us*** to obtain an opinion of legal counsel regarding the appropriateness of a proposed termination of employment of ***your*** employee(s) provided ***you*** first notify ***us*** of the proposed termination during the ***policy period*** and prior to such termination; and

2. The amounts payable under this endorsement are in addition to the defense costs limits stated within the declarations page of the policy to which this Endorsement is attached.

B. DEFINITIONS APPLICABLE TO ATTORNEY CONSULTATION 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. ***Defense costs*** means costs ***we*** pay to ***our*** approved attorneys for attorney fees and related expenses. ***Defense costs*** will not include the salary, additional wages or costs of any employee of an ***insured***.

C. LIMITS OF INSURANCE APPLICABLE TO ATTORNEY CONSULTATION AMENDATORY ENDORSEMENT

1. We agree to pay up to $2,500 in ***defense costs*** per termination considered not to exceed $50,000 in the aggregate for all attorney consultations per ***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.

#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.

9 – TERRORISM FOR FIRST PARTY PROPERTY ENDORSEMENT

Section V – Property is amended by the following:

A. *Terrorism First Party Property 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 Terrorism for First Party Property Endorsement as listed below.

1. **Covered Cause of Loss.** Subject to the exclusions, limits and conditions hereinafter contained, this endorsement applies to ***insured property*** as stated in the ***schedule of values*** on file with ***us*** against physical loss or physical damage occurring during the policy period caused by an ***act of terrorism*** or ***act of sabotage***, as herein defined.

B. *Definitions Applicable to Terrorism Fist Party Property Endorsement*

The following definitions are 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. ***"Act of 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 influence any government and/or to put the public in fear for such purposes.

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

3. ***"Computer System"*** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by ***you***.

4. ***"Data"*** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a ***computer system***.

5. ***"Occurrence"*** means any one loss and/or series of losses arising out of and directly occasioned by one ***act*** or series of ***acts of terrorism*** or ***acts of sabotage*** for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses ***you*** sustained for ***insured property*** herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this policy unless ***you*** shall first sustain direct physical damage by an ***act of terrorism*** or an ***act of sabotage*** prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the inception or attachment of this policy.

c. *Conditions Applicable to Terrorism First Party Property Endorsement*

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

1. **Debris Removal.** This endorsement also covers, within the sum insured, expenses incurred in the removal from the ***insured property*** of debris of property damaged by an ***act of terrorism*** or an ***act of sabotage***. The cost of removal of debris shall not exceed ten (10%) of the stated value as listed on the ***schedule of values***.

2. **Valuation.** It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) ***insured property*** on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

   a. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

   b. Until replacement has been effected the amount of coverage under this endorsement in respect of loss shall be limited to the actual cash value at the time of loss;

   c. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this endorsement.

   d. ***Our*** liability for loss under this endorsement shall not exceed the smallest of the following amounts:

      i. The overall endorsement limit applicable to the destroyed or damaged ***insured property*** as shared amongst all ***our*** members and only to the value as listed on the ***schedule of values***.

      ii. The replacement cost of the ***insured property*** or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss.

      iii. The amount actually and necessarily expended in replacing said property or any part thereof.

3. **Incorrect Declaration Penalty.** If the values declared as stated in the ***schedule of values*** are less than the correct insured values as determined above, then ***your*** recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and ***you*** shall self-insure for the balance.

4. **Notification of Claims.** ***You***, upon knowledge of any ***occurrence*** likely to give rise to a claim hereunder, shall give notice as soon as reasonably practicable to ***us*** within seven (7) days of such knowledge of any ***occurrence*** and it is a condition precedent to ***our*** liability that such notification ***you*** give. If ***you*** make a claim under this endorsement ***you*** must give ***us*** such relevant information and evidence as may reasonably be required and cooperate fully in the investigation or adjustment of any claim. If ***we*** require, ***you*** must submit to examination under oath by any person designated by ***us***.

5. **Proof of Loss.** ***You*** shall render a signed and sworn proof of loss within sixty (60) days after the ***occurrence*** of a loss (unless such period be extended by a written agreement by ***us***) stating the time, place and cause of loss, ***your*** interest and all others in the ***insured property***, the sound value thereof and the amount of loss or damage thereto. If we have not received such proof of loss within two years of the expiration date of this policy, ***we*** shall be discharged from all liability hereunder. In any claim and/or action, suit or proceeding to enforce a claim for loss under this endorsement, the burden of proving that the loss is recoverable under this endorsement and that no limitation or exclusion of this endorsement or policy applies and the quantum of loss shall fall upon ***you***.

D. *Exclusions Applicable to Terrorism First Party Property Endorsement*

This endorsement does not insure against, does not cover physical loss or physical damage from or to:

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.

3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an ***act of terrorism*** or an ***act of sabotage***.

4. Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.

7. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.

8. Any fine or penalty or other assessment which is incurred by ***you*** or which is imposed by any court, government agency, public or civil authority or any other person.

9. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses (which would otherwise be covered under this endorsement) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

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

11. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.

12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by ***us*** in writing prior to such measures being taken.

13. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.

14. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.

15. Loss or increased cost as a result of threat or hoax.

16. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.

17. Loss or damage caused by mysterious disappearance or unexplained loss.

18. Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

19. ***We*** shall not be deemed to provide cover and ***we*** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose ***us*** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

20. Loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

    a. any electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon;

    b. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any ***data***, including any amount pertaining to the value of such ***data***.

    c. Subject to all the terms and conditions of this endorsement, this exclusion shall not operate to exclude physical loss or physical damage to ***insured property*** under this endorsement arising from the use of any ***computer system*** or program in the launch and/or guidance system and/or firing mechanism of any weapon or missile. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

21. Property Excluded:

    a. Land or land values.

    b. Power transmission, feeder lines or pipelines not on ***your*** premises.

    c. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its normal operations.

    d. ***Aircraft*** or any other aerial device, or watercraft.

    e. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the ***insured property*** herein at the time of its damage.

    f. Animals, plants and living things of all types.

    g. Property in transit not on ***your*** premises.

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, 2025 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***.

ICRMP
Member Owned, Member Driven

Idaho Counties Risk Management Program
PO Box 15249
3100 S Vista Ave., Ste. 300
Boise, ID 83715

SUMMARY OF ICRMP PUBLIC ENTITY POLICY CHANGES
October 1, 2025 through September 30, 2026

Key

CLARIFY – Definitions or terms in the policy are altered or changed to clarify intent or define terms.
BROADEN – Change adds or expands coverage or adds or increases limits of insurance.
REDUCTION – Change removes or lowers coverage or removes or lowers limits of insurance.

This Summary of Policy Changes outlines significant changes to coverage and/or limits of insurance. Grammatical and other formatting updates are not reflected in this summary. Refer to the Redline Policy to see every modification. Page numbers below are from the redline policy, not the final policy document.

A. DECLARATIONS PAGES

Item 1: ***Section V limit of insurance*** – **REDUCTION**
Sublimit of $200,000,000 per covered occurrence, now shared between all ICRMP members collectively. (Page D-2)

Item 2: ***Earthquake Limit of Insurance*** – **BROADEN**
Increased sublimit for earthquake to $100,000,000 per covered occurrence, shared between all ICRMP members collectively. (Page D-2)

Item 3: ***Flood Type 1 Limit of Insurance*** **– BROADEN**
Increased sublimit for flood type 1 to $25,000,000 per covered occurrence, shared between all ICRMP members collectively. (Page D-2)

Item 4: ***Flood Type 2 Limit of Insurance*** **– BROADEN**
Increased sublimit for flood type 2 to $100,000,000 per covered occurrence, shared between all ICRMP members collectively. (Page D-2)

Item 5: ***Ordinance or Law Limit of Insurance*** **– REDUCTION**
Decreased sublimit for ordinance or law to be $1,000,000 or 25% of stated value, whichever is less. (Page D-2)

Item 6: ***Property in Transit Coverage Basis*** **– REDUCTION**
Property in Transit sublimit is per covered occurrence AND/OR in the aggregate. (Page D-2)

Item 7: ***Service Animal Deductible*** **– CLARIFY**
Deductible for service animal loss stated. (Page D-2)

Item 8: ***Equipment Breakdown Insurance Endorsement Aggregate Limit*– REDUCTION**
Aggregate limit to $100,000,000 per occurrence shared between all ICRMP members collectively, instead of only public entity members. (Page D-6)

Item 9: ***Security & Privacy Liability Endorsement* – CLARIFY**
Aggregate limits are shared among all members collectively, not only public entity members. (Page D-6)

Item 10: ***Terrorism First Party Property Endorsement* – CLARIFY**
Endorsement language modified to match new reinsurance partner. (Page D-6)

B. SECTION II, GENERAL DEFINITIONS

Item 1: **A. (31.) *Small Unmanned Aircraft* – CLARIFY**

Amended definition from "UAS" to Small Unmanned Aircraft and matched definition components to FAA's definition. (Page 5)

C. SECTION III, GENERAL CONDITIONS

Item 1: **A. 4. a. (2). (b). (ii). 1. *Cancellation and Nonrenewal* – CLARIFY**
Updated language to match Idaho Department of Insurance guidelines and Idaho Code related to commercial insurance. (Page 8)

D. SECTION V, PROPERTY INSURANCE

Item 1: **Property Insurance Provided– CLARIFY**
Removed sublimits within policy form itself and reference declarations page as the location to state limits of insurance and related sublimits. (Various pages within the section)

Item 2: **Unmanned Aircraft A. 9. – CLARIFY**
Clarify intent of maximum allowable weight to takeoff weight, including everything on board or otherwise attached to aircraft. This further clarifies attached payload is considered part of overall weight of aircraft for coverage purposes. (Page 27)

Item 3: **Schedule of Values C. 7. a. - CLARIFY**
Updated to include "property in the open" as being required to be listed on schedule of values for coverage to apply. (Page 32)

Item 4: **Valuation of Loss C. 8. b. 5 – BROADEN**
Clarified our practice of including all reasonable recovery, towing and storage costs to valuation of loss. (Page 33)

Item 5: **Vehicles and Mobile Equipment that are Leased or Rented – BROADEN**
Now includes 3rd party loss of use claims for up to 90 days, meaning rental car company or lessor's claim for loss of use of damaged vehicle. (Page 36)

Item 6: **Exclusions D. 4. l. Underground Pipes – REDUCTION**
Included pipe casings as part of underground pipes exclusion. (Page 38)

E. SECTION VIII – GENERAL LIABILITY INSURANCE

Item 1: **Exclusions C. 1. i. – Utilities – REDUCTION**
Amended exclusion to match exclusion from ICRMP's liability reinsurance partner. (Page 49)

F. SECTION X – ERRORS AND OMISSIONS INSURANCE

Item 1: Exclusions D. 1. c. – Utilities – REDUCTION
Amended exclusion to match exclusion from ICRMP's liability reinsurance partner. (Page 54)

G. SECTION XII – EMPLOYMENT PRACTICES LIABILITY INSURANCE

Item 1: Conditions C. 2. – Deductible – REDUCTION
Amended condition to include failure to appoint or re-appoint. Also removed duplicative language. (Page 57)

H. SECTION XV, ENDORSEMENTS

Item 1: #2 Security & Privacy Liability Endorsement. – **CLARIFY**
Updated language to match new reinsurance partner. This is a complete change of language. (Pages 65-93)

Item 2: #6 Equipment Breakdown Insurance Endorsement. – **CLARIFY**
Updated language to match new reinsurance partner. This is a complete change of language. (Pages 96-111)

Item 3: #9 Terrorism For First Party Property Endorsement. – **CLARIFY**
Updated language to match new reinsurance partner. This is a complete change of language. (Pages 114-118)

ICRMP'S NEW MID-TERM PREMIUM INVOICING

By Justin Nyquist, Underwriting Manager

ICRMP
Member Owned, Member Driven

ICRMP exists to assist Idaho political subdivisions in their missions by providing stable insurance and risk management services. The premium, or member contribution, is calculated based on the following primary factors:

- **Total insured property values**
- **Payroll**
- **Claims/Loss history**

We have not, and do not bill transactionally throughout the year. In the past, if one singular asset was added that exceeded $5,000,000 in value, we would invoice the associated premium; however, we don't send an invoice for every vehicle, piece of equipment, tool, etc. that is added, like the commercial insurance companies do.

That was never an issue in the past, because the reinsurance ICRMP purchases to protect the assets of the program from the large losses was inexpensive and plentiful. Over the past handful of years, that reinsurance has become more restrictive in coverages and limits, while becoming more and more expensive at the same time.

Because of those market factors that are out of our control, we have instituted a new procedure to capture insured property value growth. We are analyzing the total insured value of each member's property schedules each quarter and billing the pro-rated premium for those additional values once they cumulatively meet or exceed $5,000,000 since the last time the property values were charged a premium.

This ensures that we are still not billing transactionally, as we are sensitive and aware of the budgetary constraints on Idaho public entities; however, this will help us keep up with large insured property value growth a little more timely and quicker than before, instead of just once a year when premium estimates are sent out.

Please stay tuned for a video that will be on the member portal soon that will go into greater detail about this change.

ICRMP
Member Owned, Member Driven

Idaho Counties Risk Management Program
3100 S Vista Ave., Ste. 300
Boise, ID 83705

Member Billing Contact:

Trent Donat
City of Ketchum
PO Box 2315
Ketchum, ID 83340

Invoice Date: 9/3/2025
Invoice Number: 02097 - 2026 - 1
Policy Period: 10-1-25 to 9-30-26
Policy Number: 45A02097100125

Insurance Billing

DESCRIPTION
10/1/2025 - 9/30/2026 Policy Year Annual Premium: $209,187.00 Minimum Due 10/15/2025: $104,593.50 Balance Due 4/15/2026: $104,593.50 For proper application, please do not combine other payments with your premium remittance.

Please Detach and Submit with Payment

ICRMP
Member Owned, Member Driven

Member:
City of Ketchum
PO Box 2315
Ketchum, ID 83340

Make Checks Payable to:
ICRMP
PO Box 15116
Boise, ID 83715

Invoice Date:	9/3/2025
Invoice Number:	02097 - 2026 - 1
Due Date:	10/17/2025
Minimum Due:	**$104,593.50**
Amount Paid:	

Write Amount Paid Here

☐ *Address Corrections? Please make changes on the back of this form and enclose with your payment.*

Please fill in new contact information below:

Name Title

Address City State Zip Code

Office Phone #

Email Address

CITY OF KETCHUM

PO BOX 2315 * 191 5TH ST. * KETCHUM, ID 83340
Administration 208-726-3841 (fax) 208-726-8234

PURCHASE ORDER

BUDGETED ITEM? ____ Yes ____ No

PURCHASE ORDER - NUMBER: 26021

To:	Ship to:
2428 ICRMP BOX 15116 BOISE ID 83715	CITY OF KETCHUM PO BOX 2315 KETCHUM ID 83340

P. O. Date	Created By	Requested By	Department	Req Number	Terms
10/01/2025	KCHOMA	KCHOMA			

Quantity	Description		Unit Price	Total
1.00	INSURANCE PREMIUMS	01-4152-4600	210,000.00	210,000.00
		SHIPPING & HANDLING		0.00
		TOTAL PO AMOUNT		210,000.00

Authorized Signature