



2025 Fund Year Liability Policy

Thank you for trusting Public Entity Partners with your Liability coverage and risk management program. Enclosed is your 2025 Fund Year Liability Renewal Policy. Our mission is to partner with Tennessee governmental entities in providing effective risk management products and services with a commitment to member best interests. Please note that the policy document is not an invoice. The member will receive an invoice directly from our finance team.

As we shared on the cover letter for your renewal applications, during the board of directors' annual base rate evaluation, several modifications to Liability base rates were made. For the upcoming fund year, there was no change to General Liability and Errors & Omissions base rates. The board approved a 4% increase in Law Enforcement Liability base rates, a 5% increase in Auto Liability, and a 10% increase in Auto Physical Damage base rates.

In addition, the board of directors has declared a \$5 million dividend, with \$1 million being allocated to Liability. If you are eligible for a dividend, it will be reflected on your 2025/2026 renewal invoice.

The board of directors also approved a clarification to the intent of the class action endorsement to specify that all claims arising out of a class action, including claims arising from interrelated occurrences, are to be considered as one claim.

We encourage members to use our online portal. Members can file claims, view claims information, and access loss control guidelines online. If you are not already set up to do so, you can request access by emailing MemberServices@PEPartners.org.

Please feel free to reach out to our team if we can assist you in any way.

Sincerely,

The Public Entity Partners Team

MEMBER PORTAL



PEP's Member Portal is a centralized, user-friendly platform designed to streamline claims management and risk resources for our members.

With online claims filing (also known as Origami), members can easily file workers' compensation, liability and property claims, upload supporting documents and track submissions in real time. The Claims Analytics tool provides daily updated claims data, enabling users to analyze trends, assess risks and make informed decisions.

In addition, the Risk Resource Library offers a comprehensive collection of guidelines, checklists, sample policies and training materials created by PEP's Loss Control Department to help members proactively manage risk.

Online Claims Filing

Origami is a user-friendly system that is simple and convenient for filing workers' compensation, liability and property claims.

Members can quickly enter claim details, upload supporting documents and receive an immediate claim number upon submission.

Plus, the necessary claims forms are readily available for download. This secure, paperless process streamlines claim handling, reduces delays and provides real-time status tracking for added convenience.

Benefits of online claims filing:

- Easily file all claims online.
- Upload supporting documents and receive an instant claim number via email.
- Access and download claims forms.
- A secure, paperless process.
- The preferred claim filing method.



Claims Analytics



The Claims Analytics tool provides members with comprehensive, up-to-date insights on all claims filed by the member.

With daily data updates, users can track trends, identify potential risks, and analyze claim costs using interactive dashboards and customizable filters.

By breaking down data in multiple ways, members gain valuable insights to enhance strategic planning and improve risk management efforts.

Benefits of using the Claims Analytics tool:

- View all claims and relevant claim information.
- Access claims data updated daily.
- Analyze trends, assess risks and track claim costs.
- Use interactive dashboards and customizable filters for in-depth insights.
- Make informed decisions with accurate, up-to-date claims data.

Risk Library

The Risk Library offers a robust collection of loss control guidelines and resources created by our Loss Control Department to help members navigate common risk exposures that they may face.

Organized into key categories — such as General Risk Management, Fire/EMS, Police, Public Works and Utilities, Special Events and Privacy and Network Liability — the library includes checklists, sample policies and guidelines. With these resources readily available, members can stay informed and take proactive steps to mitigate risk.

Benefits of using the Risk Library:

- Access a collection of guidelines, checklists and sample policies from our Loss Control department.
- Find resources across various categories, including General Risk Management, Police, Public Works and Utilities, Special Events and more.
- Stay proactive with expert-developed tools designed to help you navigate common risk exposures.



To sign up for the Member Portal, please reach out to your regional Member Services Representative.

Self-Insured Retention (SIR) Program

IMPORTANT INFORMATION CONCERNING THIS RENEWAL

The Self-Insured Retention (SIR) Program is based on a regular annual premium calculation reflecting the exposures of your city, your loss control efforts, and your prior loss experience. The premium is then factored to take into consideration the retention level you select.

The retention amount includes claims and claims adjustment expenses that are allocated to your claims. Please keep in mind that claims expenses include legal defense costs such as attorney fees, court costs and other similar defense-related and adjustment expenses.

No loss fund deposit is required.

The maximum amount of paid claims for which the member would be responsible for payment is the annual policy aggregate retention amount described on the GENERAL ANNUAL AGGREGATE DEDUCTIBLE RETENTION Endorsement. All paid claims accrue to meet this limit. Premium charges are not included in this calculation. Should your entity's paid claims exceed the aggregate attachment point, we would be responsible for payment of any additional claims through the expiration of the policy coverage period.

The total amount due at policy inception is the premium charge listed on your premium invoice, including a deduction for any dividends due the member. Any questions concerning coverage or this initial invoice should be directed to our Underwriting Department. Subsequent billing statements of paid claims and claims expense charges will occur on a monthly basis. Any questions concerning these statements should be directed to our Finance Department.



GENERAL LIABILITY, PERSONAL INJURY LIABILITY,
ERRORS OR OMISSIONS LIABILITY,
AUTOMOBILE LIABILITY AND AUTOMOBILE PHYSICAL DAMAGE POLICY

Policy Number:

DECLARATIONS

Ren/Rewrite of:

PLI-0213-26

PLI-0213-25

ITEM 1. INSURED

AGENT

KINGSPORT, CITY OF *

DIRECT

415 BROAD STREET, ATTN: RISK MGMT

415 BROAD STREET, ATTN: RISK MGMT

KINGSPORT, TN 37660

KINGSPORT, TN 37660

*See Additional Named Insured Endorsement

ITEM 2. **COVERAGE PERIOD: From 07/01/2025 To 07/01/2026**

12:01 A.M. Standard Time at the Insured's Mailing Address.

ITEM 3. **COVERAGE PARTS**

In return for the payment of the premium, and subject to all of the terms of the policy, the insurer agrees to provide you with the coverages shown below for which a premium charge is stated.

ONE YEAR POLICY		
Coverage and Premium for this Coverage Period		
COVERAGE	COVERAGE PART	PREMIUM
General Liability	A/B	54,472
Law Enforcement Liability	A/B	43,247
Errors or Omissions Liability	C	55,111
Automobile Liability	D	63,549
Automobile Physical Damage	E	117,472
Other		
TOTAL		333,851

PUBLIC ENTITY PARTNERS

562 Franklin Rd. Suite 200, Franklin, TN 37069

LIABILITY COVERAGE DECLARATIONS - PAGE 2 of 3INSURED KINGSPORT, CITY OF *Policy Number: PLI-0213-26**ITEM 4. LIMITS OF COVERAGE****COVERAGE A - GENERAL LIABILITY and COVERAGE B - PERSONAL INJURY LIABILITY**

\$300,000 PER PERSON FOR BODILY INJURY OR PERSONAL INJURY AS LIMITED BY THE TORT LIABILITY ACT
\$700,000 PER OCCURRENCE FOR BODILY INJURY OR PERSONAL INJURY AS LIMITED BY THE TORT LIABILITY ACT
\$100,000 PER OCCURRENCE FOR PROPERTY DAMAGE AS LIMITED BY THE TORT LIABILITY ACT
\$5,000,000 PER OCCURRENCE FOR EACH OTHER LOSS
\$500,000 PER PERSON/\$1,000,000 PER OCCURRENCE FOR CATASTROPHIC MEDICAL EXPENSES EXCESS OF BODILY INJURY
\$1,000 PER PERSON AND \$10,000 PER ACCIDENT FOR MEDICAL PAYMENTS
\$100,000 PER OCCURRENCE FOR FIRE DAMAGE
\$100,000 PER OCCURRENCE FOR IMPOUNDED PROPERTY DAMAGE OR COMMANDEERED PROPERTY DAMAGE
\$100,000 PER OCCURRENCE FOR NON-MONETARY DEFENSE COSTS

COVERAGE C - ERRORS OR OMISSIONS LIABILITY \$5,000,000 PER OCCURRENCE

\$5,000,000 PER OCCURRENCE/POLICY AGGREGATE FOR EMPLOYMENT PRACTICES LIABILITY - See Endorsement
\$1,000,000 PER OCCURRENCE/POLICY AGGREGATE FOR PRIVACY/NETWORK LIABILITY - See Endorsement
\$1,000,000 PER OCCURRENCE FOR EMPLOYEE BENEFITS/FIDUCIARY LIABILITY
\$100,000 PER OCCURRENCE FOR NON-MONETARY DEFENSE COSTS

COVERAGE D - AUTOMOBILE LIABILITY and COVERAGE E - AUTOMOBILE PHYSICAL DAMAGE

This policy provides only those coverages where a designation symbol is shown under Covered Autos below. Entry of one or more of the symbols from Item 5 indicates the autos that are covered autos.

Coverages	Covered Autos	Limits
LIABILITY	<u>1,2,3</u>	\$300,000 PER PERSON FOR BODILY INJURY AS LIMITED BY THE TORT LIABILITY ACT \$700,000 PER OCCURRENCE FOR BODILY INJURY AS LIMITED BY THE TORT LIABILITY ACT \$100,000 PER OCCURRENCE FOR PROPERTY DAMAGE AS LIMITED BY THE TORT LIABILITY ACT \$5,000,000 PER OCCURRENCE FOR EACH OTHER LOSS \$500,000 PER PERSON/\$1,000,000 PER OCCURRENCE FOR CATASTROPHIC MEDICAL EXPENSES EXCESS OF BODILY INJURY
MEDICAL PAYMENTS	<u>1</u>	\$1,000 PER PERSON AND \$10,000 PER ACCIDENT
UNINSURED MOTORISTS	<u>1,2,3</u>	\$300,000 PER OCCURRENCE FOR BODILY INJURY AND \$100,000 PER OCCURRENCE FOR PROPERTY DAMAGE
COMPREHENSIVE	<u>1,2</u>	SEE AUTOMOBILE PHYSICAL DAMAGE ENDORSEMENT(S)
COLLISION	<u>1,2</u>	SEE AUTOMOBILE PHYSICAL DAMAGE ENDORSEMENT(S)

ITEM 5. DESCRIPTION OF COVERED AUTOMOBILES - DESIGNATION SYMBOLS

Symbol	Description
1	OWNED AUTOS ONLY. Only those autos you own, including those autos that you acquire during the coverage
2	HIRED AUTOS ONLY. Only those autos you lease, hire, rent or borrow, including any auto you lease, hire, rent, or borrow from any of your employees.
3	NONOWNED AUTOS ONLY. Only those autos you do not own, lease, hire, rent or borrow that are used in connection with your business, including autos owned by your employees, but only while used in your business.

LIABILITY COVERAGE DECLARATIONS - PAGE 3 of 3

INSURED KINGSPORT, CITY OF *

Policy Number: PLI-0213-26

ITEM 6. DEDUCTIBLES

COVERAGE A and COVERAGE B

GENERAL LIABILITY AND PERSONAL INJURY LIABILITY

NA

PER OCCURRENCE

COVERAGE A and COVERAGE B

LAW ENFORCEMENT GENERAL LIABILITY AND PERSONAL INJURY LIABILITY

NA

PER OCCURRENCE

COVERAGE C

ERRORS OR OMISSIONS LIABILITY

NA

PER OCCURRENCE

COVERAGE D

AUTOMOBILE LIABILITY

NA

PER OCCURRENCE

COVERAGE E

AUTOMOBILE PHYSICAL DAMAGE

Comprehensive

ENDT

PER OCCURRENCE

Collision

ENDT

PER OCCURRENCE

GENERAL ANNUAL AGGREGATE DEDUCTIBLE RETENTION (SIR) : \$600,000

ITEM 7. RETROACTIVE DATE

See Endt

Coverages A, B, and C (Claims Made Basis) of this policy do not apply to bodily injury, property damage, personal injury offenses, or any act, error, omission, or violation of rights, privileges, or immunities that occurred before the retroactive date, if any, shown above. Some endorsements may have retroactive date exceptions that apply in lieu of the retroactive date shown here.

ITEM 8. FORMS, SCHEDULES, AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS

Liability Policy Coverage Declarations 7-1-2022
 Additional Named Insured Endorsement 7-1-2024
 Retroactive Date Endorsement 7-1-2002
 Amendatory Endorsement 7-1-2015
 General Annual Aggregate Deductible-Retention Endorsement 7-1-12
 Employment Practices Liability Coverage Endorsement 7-1-2023
 Privacy and Network Liability Coverage End 7-1-2022
 Punitive-Exemplary Damages Endorsement 7-1-2023
 Class Action Liability Coverage Endorsement 7-1-2025
 Exception for Scheduled Watercraft Endorsement 7-1-2012
 Unmanned Aerial Systems Coverage Endorsement 7-1-2016
 Schools Endorsement 7-1-2021
 Uninsured-Underinsured Motorists Endorsement 7-1-2023
 Auto Physical Damage Endorsement 7-1-2011
 Auto Physical Damage Stated Value for Fire Departments 7-1-2022
 Auto Physical Damage Stated Value for Utilities 7-1-2011
 Auto Physical Damage Catastrophe Endorsement 7-1-2010
 Liability Coverage Policy 2025

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

ADDITIONAL NAMED INSURED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

KINGSPORT, CITY OF

ITEM 1 - INSURED SHOWN IN THE DECLARATIONS IS AMENDED TO INCLUDE THE FOLLOWING:

- * KINGSPORT COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
- * KINGSPORT CONSTRUCTION BOARD OF ADJUSTMENTS AND APPEALS
- * KINGSPORT BOARD OF EDUCATION
- * KINGSPORT BOARD OF ELECTRICAL EXAMINERS
- * INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT a.k.a.
KINGSPORT ECONOMIC DEVELOPMENT BOARD
- * KINGSPORT GATEWAY REVIEW COMMISSION
- * KINGSPORT GREENBELT ADVISORY COMMITTEE (SUBCOMMITTEE)
- * KINGSPORT HISTORIC ZONING COMMISSION
- * KINGSPORT PUBLIC LIBRARY COMMISSION
- * KINGSPORT BOARD OF MECHANICAL, PLUMBING, & GAS
- * KINGSPORT PARKS AND RECREATION ADVISORY COMMITTEE
- * KINGSPORT REGIONAL PLANNING COMMISSION
- * KINGSPORT SENIOR CENTER ADVISORY COUNCIL
- * KINGSPORT BOARD OF ZONING APPEALS
- * KINGSPORT TREE ADVISORY BOARD
- * KINGSPORT EMPLOYEE DEPENDENT SCHOLARSHIP PROGRAM
- * KINGSPORT PUBLIC ART COMMITTEE
- * KINGSPORT STORMWATER APPEALS BOARD
- * KINGSPORT AQUATIC CENTER ADVISORY COMMITTEE
- * KINGSPORT HIGHER EDUCATION COMMISSION
- * DEMOLITION BY NEGLECT COMMITTEE
- * KINGSPORT NEIGHBORHOOD ADVISORY COMMISSION
- * ONE KINGSPORT SUMMIT ADVISORY COMMISSION
- * DOGWOOD PARK ADVISORY COMMITTEE
- * LYNN VIEW COMMUNITY CENTER ADVISORY COMMITTEE
- * ATHLETIC ADVISORY COMMITTEE
- * VETERANS MEMORIAL SUBCOMMITTEE

'As Regards,' as used in this endorsement, means that only acts, errors or omissions of the Named Insured resulting from the Named Insured's involvement in the activities of the listed agreement or entity are insured. Nothing in this endorsement changes Section VII-Condition 10. Other Insurance.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

ADDITIONAL NAMED INSURED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

KINGSPORT, CITY OF

ITEM 1 - INSURED SHOWN IN THE DECLARATIONS IS AMENDED TO INCLUDE THE FOLLOWING:

CITY OF KINGSPORT AS RESPECTS THE FOLLOWING:

- EMERGENCY COMM DISTRICT / E-911 BOARD
- SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP
- KINGSPORT HOUSING AUTHORITY BOARD OF DIRECTORS aka KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY
- SULLIVAN COUNTY BOARD OF EQUALIZATION
- PETWORKS VIA CHARTER
- FOREIGN TRADE ZONE
- KINGSPORT BAYS MOUNTAIN PARK COMMISSION
- KINGSPORT BEVERAGE BOARD

*** CITY OF KINGSPORT AS RESPECTS WRITTEN MUTUAL AID AGREEMENT FOR FIRE PROTECTION SERVICES WITH:**

- UNITED STATES DEPARTMENT OF THE ARMY BAE SYSTEMS ORDINANCE FOR HOLSTON ARMY AMMUNITION PLANT AREA A AND B
- EASTMAN CHEMICAL COMPANY
- AIR PRODUCTS AND CHEMICALS, INC

*** CITY OF KINGSPORT AS RESPECTS WRITTEN MEMORANDUM OF UNDERSTANDING WITH THE SECOND JUDICIAL DRUG TASK FORCE**

*** CITY OF KINGSPORT AS RESPECTS WRITTEN INTERLOCAL AGREEMENT WITH UNINCORPORATED SULLIVAN COUNTY FOR CERTAIN RESCUE SERVICES**

'As Respects,' as used in this endorsement, means that only acts, errors or omissions of the Named Insured resulting from the Named Insured's involvement in the activities of the listed agreement or entity are insured. Nothing in this endorsement changes Section VII-Condition 10. Other Insurance.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

RETROACTIVE DATE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KINGSPORT, CITY OF

It is understood and agreed that the Retroactive Date as shown in Item 7 on the Declarations is amended as follows:

* CITY OF KINGSPORT - COVERAGES A, B, C	04/01/1987
* KINGSPORT CITY SCHOOLS - COVERAGE A, B, C	04/01/1987
* KINGSPORT ECON INDUSTRIAL DEV BRD - COVERAGES A & B	07/01/1992
* KINGSPORT ECON INDUSTRIAL DEV BRD - COVERAGE C	07/01/1987
* EMPLOYMENT PRACTICES LIABILITY, CITY OF KINGSPORT	04/01/1987
* EMPLOYMENT PRACTICES LIABILITY, KINGSPORT ECON IND DEV BRD	07/01/1987
* EMPLOYMENT PRACTICE LIABILITY, KINGSPORT CITY SCHOOLS	04/01/1987

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

AMENDATORY ENDORSEMENT

KINGSPORT, CITY OF

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCEPTION TO AMUSEMENT DEVICE EXCLUSION

It is hereby agreed and understood that Liability Policy Exclusion 20.a. listed below does not apply to the operation of the Kingsport Carousel Project located at 308 Clinchfield Street, Kingsport, TN adjacent to the Kingsport Farmers Market.

20. Arising out of:
- a. Mechanically operated amusement devices or carnival type rides;

The remainder of the exclusion remains intact and the entire exclusion continues to apply to all operations of the insured except that listed herein.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

**GENERAL ANNUAL AGGREGATE DEDUCTIBLE/RETENTION
ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Annual Aggregate Deductible/Retention Amount: (See Item 6 on the Declarations)

It is understood and agreed that a maximum deductible/retention in the aggregate of (See Dec) for each annual policy period applies for all **damages**, including **claims expenses** covered by Coverages A, B, C, and D, respectively, including any attached coverage endorsements.

We will adjust all claims covered by the policy and **you** are responsible to reimburse **us** for all **damages**, including **claims expenses**, up to the amount of the aggregate deductible retention shown, above which **we** will assume responsibility for payment until policy limits are reached. All other terms and conditions of this coverage remain unchanged.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

EMPLOYMENT PRACTICES LIABILITY COVERAGE

This endorsement changes coverage provided by the policy. All terms, exclusions and conditions of the policy apply also to this coverage endorsement except as specified herein.

NOTICE: THIS IS A **CLAIM EXPENSE** WITHIN LIMITS COVERAGE PART. THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED FOR **CLAIMS EXPENSES**.

SECTION I - COVERAGES

EMPLOYMENT PRACTICES LIABILITY COVERAGE is hereby added to the policy.

A. Limits of Liability:

1. Employment Practices Liability	<u>5,000,000</u>	Per Occurrence
B. Maximum Aggregate Limit of Liability:	<u>5,000,000</u>	Policy Aggregate
C. Deductible: \$	<u>See SIR</u>	Per Occurrence See General Annual Aggregate Deductible-Retention Endorseme
D. Retroactive Date:	<u>See Endt</u>	

We will pay on **your** behalf all sums **you** become legally obligated to pay as **damages** from a **claim** made against **you** for an **Employment Practices Violation** actually or allegedly committed by a **covered party**, provided that the **claim** is first made against **you** during the **coverage period**. We have no other obligation or liability to pay sums or perform acts or services not covered unless explicitly provided for under SECTION VI - SUPPLEMENTARY PAYMENTS. This coverage does not apply to **Employment Practices Violations** that occurred prior to the retroactive date shown in this endorsement, nor that occur after the **coverage period**. We will defend any **suit** against **you** even if any of the allegations of the **suit** are groundless, false, or fraudulent subject to policy terms, exclusions and conditions. We may investigate and settle any **claim** or **suit** as we deem expedient.

SECTION II - EXCLUSIONS

With respect only to coverage provided under this endorsement, the following exclusion in the liability policy does not apply to coverage under this endorsement for **Employment Practices Violations**;

40. Arising out of action taken by any **covered party** against another **covered party**.

With respect to only this coverage endorsement the following exclusions apply in addition to all other exclusions in the Liability Coverage Policy. We shall not be liable for **damages** or **claims expenses** on account of any **claim**:

1. alleging liability, whether direct or indirect, arising out of **sexual abuse** by a covered party.
2. alleging, based upon, arising out of or attributable to any **bodily injury**, other than mental distress, mental injury, mental anguish, mental tension, pain and suffering, shock and humiliation arising out of an **Employment Practices Violation**,

3. alleging, based upon, arising out of or attributable to any violation of (i) the Employee Retirement Income Security Act of 1974; (ii) any unemployment insurance, retirement benefits, social security benefits or similar law, (iii) the National Labor Relations Act, (iv) the Workers Adjustment and Retraining Notification Act, (v) the Consolidated Omnibus Budget Reconciliation Act, (vi) the Occupational Safety and Health Act; or any rules or regulations of any of such statutes or laws, amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law, provided however, this exclusion shall not apply to that part of a **claim** for **retaliation**,
4. arising out of the actual violation of the Fair Labor Standards Act (except the Equal Pay Act) or any rules or regulations of any of this act, amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law,
5. alleging, based upon, arising out of or attributable to any costs incurred by any **covered party** to provide any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act of 1992, as amended, or any similar federal, state or local law, regulation or ordinance, including the modifications of any building, property or facility to make it more accessible or accommodating to any disabled person whether or not mandated by a court.

SECTION III - WHO IS COVERED

The definition of who is covered follows that of the liability policy to which this endorsement is attached.

SECTION IV - LIMITS OF COVERAGE

1. The Per **Occurrence** Limit shown on this endorsement for Coverage A.1. Employment Practices Liability, is the most **we** will pay for the sum of **damages** and **claim expenses** arising out of any one occurrence of an **Employment Practices Violation** or group of **Interrelated Employment Practices Violations** that results in **claims** under Employment Practices Liability coverage.
2. All **claims** arising out of the same **Employment Practices Violation** and all **Interrelated Employment Practices Violations** shall be deemed to be one **claim**, and such **claim** shall be deemed to be first made on the date the earliest of such **claims** is first made, regardless of whether such date is before or during the **coverage period**.
3. The Maximum Policy Aggregate Limit of Liability stated in SECTION I. Item B. of this endorsement is the maximum liability under the Insuring Agreement for the sum of all **damages** and **claim expenses** because of all **claims** under this endorsement. **We** may pay any part or all of any aggregate limit, to effect settlement of any **claim** or **suit**, and, upon notification of the action taken, **you** must promptly reimburse **us** for any amounts **we** paid in excess of the aggregate limit.
4. Any **claim** which qualifies for coverage under this endorsement is automatically excluded from coverage under all coverage parts of the Liability Policy to which this endorsement is attached. In no event will coverage be provided under this endorsement and another coverage agreement provided by this policy.

SECTION V - DEFINITIONS

With respect only to this coverage endorsement the following definition changes apply in addition to definitions contained in the Liability Policy coverage document.

The following definition is added;

1. **Interrelated Employment Practices Violations** means all **Employment Practices Violations** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

The definition clause (14.k.) is amended to add the following wording:

Damages includes front or back pay.

The definition clause (14.i.) in the liability policy is deleted and replaced with the following;

14. Damages

- i. **Damages** includes punitive or exemplary **damages** or the multiple portion of any multiplied **damage** award to the extent such **damages** are deemed insurable in the jurisdiction applicable to coverage under this policy.

The definition clause (14.n.) in the liability policy form is deleted in its entirety;

14. Damages

- n. Any obligation of any nature in a discrimination, harassment, or retaliation **claim** brought pursuant to any local, state or federal law.

SECTION VI - SUPPLEMENTARY PAYMENTS

The definition of supplementary payments replaces that of the liability policy to which this endorsement is attached.

In addition to **our** maximum limits of liability, as shown in Section I of this endorsement and described in SECTION IV - LIMITS OF COVERAGE, **we** will pay, with respect to any **claim** or **suit** **we** defend:

1. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of coverage. **We** do not have to furnish these bonds;
2. All reasonable expenses incurred by you at **our** request to assist in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to \$100 a day because of time off work;
3. Pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of coverage, **we** will not pay any pre-judgment interest based on that period of time after the offer, and
4. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgement that is within the applicable limit of coverage.

These payments will not reduce the limits of coverage as shown in SECTION I of this endorsement and described in SECTION IV - LIMITS OF COVERAGE.

SECTION VII - CONDITIONS

All conditions of the policy to which this endorsement is attached apply to this coverage endorsement with the exception of the following condition that replaces the corresponding condition in the policy.

20. DEDUCTIBLE

We may pay any part or all of any deductible amount listed in Item C. of this endorsement to effect settlement of any **claim** or pay for **claim expenses** in handling a **claim**, and, upon notification of the action taken, **you** must promptly reimburse **us** for the part of the deductible amount **we** paid. The deductible amount applies to the **loss** portion of the **claim** and to any **claim expenses** incurred and to the SECTION VI - SUPPLEMENTAL PAYMENTS. Any deductible will apply on a per **occurrence** basis, regardless of the number of **claims** arising out of the **occurrence** or the number of **municipalities** or **covered parties**

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

PRIVACY AND NETWORK LIABILITY COVERAGE

This endorsement changes coverage provided by the policy. All terms, exclusions and conditions of the policy apply also to this coverage endorsement except as specified herein.

NOTICE: THIS IS A CLAIM EXPENSE WITHIN LIMITS COVERAGE PART. THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES.

SECTION I - COVERAGES

PRIVACY AND NETWORK LIABILITY COVERAGE is hereby added to the policy.

A. Limits of Liability:

1. Privacy and Network Security Liability	\$	<u>1,000,000</u>	Per Occurrence
2. Data Breach Fund Coverage	\$	<u>250,000</u>	Per Occurrence Sublimit
3. Cyber Extension Option		<u>Included in Data Breach Fund Limit</u>	

B. Maximum Policy Aggregate Limit of Liability: \$ 1,000,000 Aggregate

C. Deductible: \$ See SIR Per **Occurrence** See General Annual Aggregate Deductible-Retention Endorsement

D. Retroactive Date: 07/01/2012

1. Privacy and **Network Security Liability - Public Entity Partners** will pay on **your** behalf all sums **you** become legally obligated to pay as **damages** from a **claim** made against **you** for an **information breach**, provided that the **claim** is first made against **you** during the **coverage period**. **Public Entity Partners** has no other obligation or liability to pay sums or perform acts or services not covered unless explicitly provided for under the LIABILITY COVERAGE document SECTION VI - SUPPLEMENTARY PAYMENTS. This coverage does not apply to any **information breach** that occurred prior to the retroactive date shown in this endorsement, nor that occur after the **coverage period**. **Public Entity Partners** will defend any **suit** against **you** even if any of the allegations of the **suit** are groundless, false or fraudulent. **Public Entity Partners** may investigate and settle any **claim** or **suit** as we deem expedient.
2. **Data breach fund - Public Entity Partners** will pay **data breach expenses** incurred by **you** by reason of a **claim** first made by or against **you** during the **coverage period**, for any **information breach** taking place after the retroactive date shown in this endorsement and prior to the end of the **coverage period**.
3. If Coverage A.3. **Cyber Extension Option** indicates coverage is included, **Public Entity Partners** will pay for:
 - a. A **ransomware loss** incurred in response to a **ransomware threat event** first made against **you** during the **coverage period** or,
 - b. A **social engineering loss** sustained by **you** provided the earliest **circumstance** which led to such **social**

engineering loss occurred within the **coverage period**.

- c. **Data restoration expenses** resulting from an **information breach, ransomware threat event** or **social engineering loss** that is otherwise covered by this policy.

SECTION II - EXCLUSIONS

With respect to coverage provided under this endorsement, the following exclusions under the Liability Coverage Policy do not apply:

40. Arising out of action taken by any covered party against another **covered party**.
41. Arising out of the failure by **you** or by an independent contractor for which **you** are legally responsible to properly handle, manage, store, destroy or otherwise control information in any form.
42. Arising out of a violation of any **privacy regulation**.
43. Arising out of a failure of **network security**.

With respect to only this coverage endorsement the following exclusions apply in addition to exclusions in the Liability Policy. **Public Entity Partners** shall not be liable for **damages, claims expenses, or data breach expenses, ransomware loss, social engineering loss or data restoration expenses** on account of any **claim**:

1. Alleging, based upon, arising out of or attributable to any electrical or mechanical failures or interruption, 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. However, this exclusion shall not apply to failures, interruptions, disturbances or outages of telephone, cable or telecommunications infrastructure under **your** operational control which are a result of **information breaches**.
2. Alleging, based upon, arising out of or attributable to any failure, interruption, or outage to **internet** access service provided by the **internet** service provider that hosts **your website**, unless such infrastructure is under **your** operational control and the interruption is the result of an **information breach**.
3. Alleging, based upon, arising out of or attributable to the unauthorized or surreptitious collection of **personal information** by **you** or any **covered party** or the failure to provide adequate notice that such information is being collected.
4. Alleging, based upon, arising out of or attributable to **your** or any **covered party's** intentional failure to disclose the loss of **personal information** in violation of any law or regulation.
5. Based upon, arising out of, or attributable to a fraudulent, dishonest or criminal act by any employee or authorized representative of **you**, whether acting alone or in collusion with others.
6. Based upon, arising out of, or attributable to the establishment of any credit or similar promise to pay, or to any party's use of or acceptance of any credit card, debit card or similar instrument, whether or not genuine.
7. Based upon, arising out of, or attributable to any investment in securities, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine.
8. Based upon, arising out of, or attributable to kidnap, ransom or other extortion payment surrendered as a result of a threat to do bodily harm to any natural person or a threat to harm, take or transfer property.
9. Based upon, arising out of, or attributable to money or securities being transferred to or for the benefit of a natural person or entity with whom **you** conduct business, where there is a dispute between **you** and such person or entity with respect to goods provided or services performed.

10. Arising out of any **information breach** caused by a failure of an independent contractor to properly protect data unless at the time of **loss** there was an executed contract in place with such independent contractor that indemnifies **you** for such **loss**.
11. Arising from a **social engineering loss** unless **you** have an established and documented procedure to verify the legitimacy of, and properly authorize a request to transfer money, securities or other property and have followed this procedure prior to acting upon such instructions.

SECTION III - WHO IS COVERED

The definition of who is covered follows that of the liability policy to which this endorsement is attached.

SECTION IV - LIMITS OF COVERAGE

1. The per occurrence limit shown on this endorsement for Coverage A.1. Privacy and **Network Security Liability** is the most **we** will pay for the sum of **damages** arising out of any one **occurrence** of an **information breach** or group of **interrelated information breaches** that results in claims under Privacy and **Network Security Liability** Coverage.
2. The per occurrence limit shown on this endorsement for Coverage A.2. Data Breach Fund Coverage is the most **we** will pay for the sum of **data breach expenses** arising out of any one **occurrence** of an **information breach** or group of **interrelated information breaches**.
3. If Coverage A.3. **Cyber Extension Option** indicates coverage is included, the Per Occurrence Limit shown on this endorsement for Coverage A.2. Data Breach Fund is the most **we** will pay for the sum of **losses** arising out of any one **ransomware loss**, **social engineering loss**, group of **interrelated ransomware losses** or **interrelated social engineering losses** including any related **data restoration expense** and including all **data breach expenses** arising out of the same **occurrence** or group of **interrelated occurrences**.
4. All **claims** arising out of the same **information breach** and all **interrelated information breaches** shall be deemed to be one **claim**, and such **claim** shall be deemed to be first made on the date the earliest of such **claims** is first made, regardless of whether such date is before or during the **coverage period**.
5. All **losses** arising out of the same **ransomware loss** and all **interrelated ransomware losses** shall be deemed to be one **loss**, and the date of such **loss** will be deemed to be the date of the first **ransomware threat event** related to such **loss** regardless of whether that date is before or during the **coverage period**.
6. All **losses** arising out of the same **Social Engineering Loss** and all **Interrelated Social Engineering Losses** shall be deemed to be one **loss**, and the date of such **loss** will be deemed to be the date of the first **circumstance** related to such **loss** regardless of whether that date is before or during the **coverage period**.
7. The Maximum Policy Aggregate Limit of Liability stated in Coverage I.B. of this endorsement is the **maximum** liability under all Insuring Agreements for the sum of all **damages**, all **data breach expenses**, all **ransomware loss**, all **social engineering loss** and all **data restoration expenses** because of all **claims** under this endorsement. **We** may pay any part or all of any aggregate limit, to effect settlement of any **claim** or **suit**, and, upon notification of the action taken, **you** must promptly reimburse **us** for any amounts **we** paid in excess of the aggregate limit.
8. In no event will coverage be provided under this endorsement and another coverage agreement provided by this policy.

SECTION V - DEFINITIONS

With respect only to this coverage endorsement the following definitions apply in addition to definitions contained in the policy coverage document.

1. **Circumstance** means an act, error, omission, fact, situation, incident, event, cause or transaction.
2. **Claim**
 - a. With respect only to Coverage A.1. Privacy and **Network Security Liability**; the definition of **claim** includes a **regulatory proceeding**.
 - b. With respect only to Coverage A.2. Data Breach Fund Coverage, the definition of **claim** includes a written report by **you** to **Public Entity Partners** of a failure by **you** or by an independent contractor for which **you** are legally responsible to properly handle, manage, store, destroy or otherwise control **personal information**.
 - c. With respect only to Coverage A.3. **Cyber Extension Option**, the definition of **claim** means a written report by **you** to **Public Entity Partners** of a **ransomware loss, social engineering loss or information breach**. In the case of a **ransomware loss or social engineering loss** a copy of a police report is required for this coverage to apply.
3. **Computer system** means computer hardware, software, firmware and associated input and output devices (including wireless and mobile devices), data storage devices, networking equipment and backup facilities located on **your** premises or under **your** direct control.
4. **Consumer redress fund** means a sum of money which **you** are legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **regulatory proceeding**. **Consumer redress fund** shall not include any sums paid which constitute taxes, fines, penalties, injunctions or sanctions.
5. **Damages**
 - a. With respect only to Coverage A.1. Privacy and **Network Security Liability**, **damages** shall also include a **consumer redress fund** but shall not include **Regulatory Fines**.
 - b. With respect to Coverage A.2. Data Breach Fund Coverage, the definition of **damages** is amended to include **data breach expenses** unless such expenses constitute compensatory damages of a direct settlement with the injured natural persons of a **claim** for an **information breach** involving **personal information**.
6. **Data asset** means any software or electronic data in **your computer system** including computer programs, applications, account information, customer information, private or **personal information**, marketing information and financial information.
7. **Data breach expenses** means those reasonable and necessary expenses incurred by **you** or which **you** become legally obligated to pay:
 - a. To retain third party computer forensics services to determine the scope of a failure of **network security**;
 - b. To comply with **privacy regulations**, including but not limited to the consumer notification provisions of **privacy regulations** of the applicable jurisdiction that most favors coverage for such expenses;
 - c. With **Public Entity Partners'** prior written consent, to voluntarily notify individuals whose **personal information** has been wrongfully disclosed;
 - d. To retain the services of a law firm solely to determine **your** indemnification rights under a written agreement with an independent contractor with respect to an **information breach** expressly covered under Coverage A.1. Privacy and **Network Security Liability** of this endorsement and actually or allegedly committed by such contractor; and

- e. For credit monitoring services, but only if such disclosure of **personal information** could result in the opening of an unauthorized line of credit or other financial account.
 - f. To cover bank charges incurred by **us** to reduce damages after an **information breach**, such as the cost of checking account closures and reopening, reordering of checks and mailing expenses.
8. **Data restoration expenses** means costs and expenses to unencrypt, recover or restore a **data asset** which is altered, corrupted, destroyed, disrupted or deleted, provided, however, the recovery or restoration, must be from existing electronic backup of such **data asset**. If such **data asset** cannot reasonably be unencrypted, recovered or restored, the term **data restoration expenses** means the actual, reasonable, and necessary costs and expenses incurred by **you** to reach this determination.

The term **data restoration expenses** does not include:

- a. Costs or expenses for creating or developing a **data asset**, including software and trade secrets;
 - b. Costs or expenses to update, upgrade or enhance a **data asset**;
 - c. Costs or expenses to replace, remediate or improve any **computer system**, to identify or remove software program errors, malware, computer viruses or vulnerabilities, or to establish, implement or improve network and data security practices, procedures or policies; or
 - d. Indirect or consequential losses.
9. **Information breach** means any error, misstatement, misleading statement, act, omission, neglect, breach of duty, or **personal injury** offense actually or allegedly committed or attempted by any **covered party** in their capacity as such, resulting in:

With respect only to Coverage A.1. Privacy and **Network Security** Liability;

- a. The failure by **you** or by an independent contractor for which **you** are legally responsible to properly handle, manage, store, destroy or otherwise control:
 - (1) **Personal information**; or
 - (2) Third party corporate information in any format provided to **you** and specifically identified as confidential and protected under a nondisclosure agreement or similar contract with **you**.
- b. An unintentional violation of **your** privacy policy that results in the violation of any **privacy regulation**.
- c. Failure of **network security**.

With respect only to Coverage A.2. Data Breach Fund Coverage, the failure by **you** or by an independent contractor for which **you** are legally responsible to properly handle, manage, store, destroy or otherwise control **personal information**.

- 10. **Internet** means the worldwide public network of computers which enables the transmission of electronic data and which includes intranets, extranets and virtual private networks.
- 11. **Interrelated information breaches** means all **information breaches** that have as a common nexus any **circumstance** or series of related **circumstances**.
- 12. **Interrelated ransomware losses** means all **ransomware losses** that have as a common nexus any **circumstance** or series of related **circumstances** or involve the same perpetrator or group of perpetrators.
- 13. **Interrelated social engineering losses** means all **social engineering losses** that have as a common nexus any **circumstance** or series of related **circumstances** or involve the same perpetrator or group of perpetrators.

14. **Ransomware loss** means the reasonable and necessary amount surrendered by **you** in the form of money, securities or digital currency, with agreement in advance by **Public Entity Partners**, in order to prevent or terminate a **ransomware threat event**. **Ransomware loss** also includes the reasonable and necessary fees and expenses incurred by **you** to prevent, terminate, or determine the credibility of such threat, other than any expenses covered by **data breach expenses**.
15. **Ransomware threat event** means a credible threat to:
- Cause an **information** breach;
 - Alter, corrupt, destroy, disrupt, delete or prevent access to any **data asset in your computer system**; or
 - Prevent access to, or interrupt or suspend the operation of **your computer system**,
- where there exists a demand for an extortion payment as a condition of mitigation or removal of such threat.
16. **Regulatory Fines** means any civil monetary fine or penalty imposed by a federal, state, local or foreign governmental entity in such entity's regulatory or official capacity pursuant to its order under a **regulatory proceeding**. **Regulatory fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, disgorgement of profits or multiple damages.
17. **Regulatory proceeding** means a request for information, demand, **suit**, civil investigation or civil proceeding by or on behalf of a government agency, commenced by a service of a complaint or similar pleading alleging the violation of **privacy regulations** as a result of **your information breach**, and which may reasonably be expected to give rise to a covered **claim** under Coverage A.1. Privacy and **Network Security Liability**.
18. **Social engineering loss** means the loss of money or securities or other property transferred by **you** or **your employee** to a person, place or account beyond **your** control resulting directly from **you** or **your employee's** good faith reliance upon an instruction transmitted via email or telephone, purporting to be from:
- A natural person or entity who exchanges, or is under contract to exchange, goods or services with **you** for a fee or,
 - An **employee of you**.
- but which contained a fraudulent and material misrepresentation and was sent by an imposter. The term **social engineering loss** does not include indirect or consequential losses.
19. **Website** means the software, content and other materials accessible via the **internet** at a designated Uniform Resource Locator (URL) address.

SECTION VI - SUPPLEMENTARY PAYMENTS

The definition of supplementary payments follows that of the liability policy to which this endorsement is attached.

SECTION VII - CONDITIONS

All conditions of the policy to which this endorsement is attached apply to this coverage endorsement with the exception of the following condition that replaces the corresponding condition in the policy.

20. DEDUCTIBLE

We may pay any part or all of any deductible amount listed in Section I.C. of this endorsement to effect settlement of any **claim**, and, upon notification of the action taken, **you** must promptly reimburse **us** for the part of the deductible amount **we** paid. The deductible amount applies to the **loss** portion of the **claim** and to the SECTION VI - SUPPLEMENTARY PAYMENTS. Any deductible will apply on a per **occurrence** basis, regardless of the number of **claims** arising out of the **occurrence** or the number of **municipalities or covered parties** insured by **Public Entity Partners** that are involved.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

PUNITIVE/EXEMPLARY DAMAGES ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that the following changes are applied to the policy. All other terms, exclusions and conditions of the policy continue to apply to this coverage endorsement except as specified herein.

Punitive/Exemplary Damages Sublimit: \$500,000

Clause 14.i. under the Definition of Damages in the Liability Policy is deleted and replaced with the following:

- i. **Damages** includes punitive or exemplary damages or the multiple portion of any multiplied damage award to the extent such damages are deemed insurable in the jurisdiction applicable to coverage under this policy.

The most **we** will pay for the sum of all punitive damages arising out of any one **occurrence** covered by this policy is the Punitive/Exemplary Damages Sublimit shown on this endorsement. Any amount **we** pay for punitive damages is a part of and not in addition to the total limits otherwise applicable under this policy for any one **occurrence**.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

CLASS ACTION LIABILITY COVERAGE

This endorsement changes coverage provided by the policy. All terms, exclusions and conditions of the policy apply also to this coverage endorsement except as specified herein.

NOTICE: THIS IS A CLAIM EXPENSE WITHIN LIMITS COVERAGE PART. THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES.

SECTION I - COVERAGES

CLASS ACTION LIABILITY COVERAGE is hereby added to the policy.

A. Limits of Liability:

1. **Class Action Suit** limit \$ 1,000,000 Per **Occurrence**

2. Maximum Aggregate Limit of Liability: \$ 1,000,000 Policy Aggregate

B. Deductible: \$ See SIR Per **Occurrence** See General Annual Aggregate Deductible-Retention Endorsement

C. Retroactive Date: 07/01/2017

SECTION II - EXCLUSIONS

With respect only to coverage provided under this endorsement, the following exclusion in the liability policy does not apply to coverage under this endorsement for **class action suits**;

37. As respects any **class action** suit arising out of any actual or alleged act, error or omission of any insured. This includes any **claim** arising from **interrelated occurrences** regardless if they are filed as part of a **class action** or not.

SECTION IV - LIMITS OF COVERAGE

1. The 'Per **Occurrence** limit' shown on this endorsement for SECTION I. Coverage A.1. **Class Action Suits** limit, is the most **we** will pay for the sum of **damages** and **claim expenses** arising out of any **occurrence** that results in **claims** that qualify for coverage under Coverage A. General Liability Bodily Injury and Property Damage, Coverage B. Personal Injury Liability, Coverage C. Errors or Omissions Liability or Employment Practices Liability Coverage, if any such coverage is provided on this policy, that arise from **class action** suits. This coverage does not apply to any **damages** or **claim expenses** which arise from acts, errors, omissions or events that occurred prior to the retroactive date indicated on this endorsement.
2. All **claims** arising out of the same class action, including **claims** arising from any **interrelated occurrences**, even if such **interrelated claims** are not included in the **class action** suit, shall be deemed to be one **claim**, and such **claim** shall be deemed to be first made on the date the earliest of such **claims** is first made, regardless of whether such date is before or during the coverage period. In the case where a **claim** is made and subsequently qualifies as a **class action** claim, the date of the first **claim** shall be used to determine the date of the class action claim.

3. The 'Maximum Policy Aggregate Limit of Liability' stated in SECTION I. Coverage A.2. of this endorsement is **our** maximum liability for the sum of all **damages** and **claim expenses** because of all **claims** covered by this endorsement during the **coverage period**. We may pay any part or all of the aggregate limit, to effect settlement of any **claim** or **suit**, and, upon notification of the action taken, **you** must promptly reimburse **us** for any amounts **we** paid in excess of the aggregate limit.
4. If **damages** or injury for a **claim** occurred prior to the retroactive date, but the claimant has opted to join a **class action suit** that is otherwise subject to coverage under the policy, we may participate in defense of such **claims** as part of **our** defense of the **class action** suit. There is no coverage for **damages** for such **claims**.
5. Any **claim** which qualifies for coverage under this endorsement is automatically excluded from coverage under all coverage parts of the Liability Policy to which this endorsement is attached. In no event will coverage be provided under this endorsement and another coverage agreement provided by this policy.

SECTION VI - SUPPLEMENTARY PAYMENTS

For coverage provided by this endorsement only, this definition of supplementary payments replaces that of the liability policy to which this endorsement is attached.

In addition to **our** maximum limits of liability, as shown in Section I of this endorsement and described in SECTION IV - LIMITS OF COVERAGE, we will pay, with respect to any **claim** or **suit** **we** defend:

1. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of coverage. **We** do not have to furnish these bonds;
2. All reasonable expenses incurred by **you** at **our** request to assist in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to \$100 a day because of time off work;
3. Pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of coverage, **we** will not pay any pre-judgment interest based on that period of time after the offer; and
4. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of coverage.

These payments will not reduce the limits of coverage as shown in Section I of this endorsement and described in SECTION IV - LIMITS OF COVERAGE.

SECTION VII - CONDITIONS

All conditions of the policy to which this endorsement is attached apply to this coverage endorsement with the exception of the following condition that replaces the corresponding condition in the policy.

20. DEDUCTIBLE

We may pay any part or all of any deductible amount listed in Item C of this endorsement to effect settlement of any **claim** or pay for **claim expenses** in handling a claim, and, upon notification of the action taken, **you** must promptly reimburse **us** for the part of the deductible amount **we** paid. The deductible amount applies to the **loss** portion of the **claim** and to any **claim expenses** incurred and to the SECTION VI - SUPPLEMENTARY PAYMENTS. Any deductible will apply on a per **class action** and per policy basis, regardless of the number of **claims** arising out of the **class action** or the number of **municipalities** or **covered parties** insured by **Public Entity Partners** that are involved.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

COVERAGE A. GENERAL LIABILITY

Exception for Scheduled Watercraft Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Coverage A. General Liability of the Liability Policy is amended to add the following clause to the exceptions to Exclusion 10.

- c. Any watercraft specifically scheduled on the "Exception for Scheduled Watercraft Endorsement".

For watercraft added to coverage by virtue of this endorsement, coverage is excluded if liability arises from persons entering the water from a covered watercraft to swim, dive, scuba dive, skin dive, including while in the water, or while departing from the vessel into the water or boarding the vessel on the return from the water for such activities unless as a part of an emergency operation or practice for emergency operations.

This endorsement does not provide coverage for any liability arising out of the use of the watercraft in or while in the practice or preparation for any racing, pulling, pushing or speed contest or in any stunting activity.

Coverage provided by this endorsement is limited to the operation of scheduled watercraft on the lakes, rivers and other inland, intercoastal or intracoastal waterways of the continental United States of America (excluding coastal waterways), or while out of the water on land.

All other terms, exclusions and conditions of the policy apply to this coverage endorsement.

KINGSPORT, CITY OF

Schedule of Covered Watercraft

Description	Serial Number
2016 CUSTOM BUILT 75 HP (30 FT)	AE70120B02C

Attached to and a part of policy number: PLI-0213-26 with effective dates from 07/01/2025 to 07/01/2026.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

UNMANNED AERIAL SYSTEMS COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Section II. Exclusion 22.b. of the Liability Policy does not apply to the ownership, operation or use of Unmanned Aerial Systems scheduled on this endorsement. Coverage provided by this endorsement is subject to the following additional exclusions.

This coverage does not apply to **Bodily Injury, Property Damage, Personal Injury** or any **claim**;

- a. Arising from use of the scheduled systems that is not in conformance with federal, state or local regulations, statutes or ordinances applicable to such systems.
- b. Arising from use of the scheduled systems outside the scope of **your** operations.
- c. Arising from any use of the systems by any person other than those persons designated by **you** to operate the systems who have been trained in; 1) the proper operations of the systems, 2) **your** policies related to the operation of the systems and 3) regulations applicable to the operations of the systems. Completion of training referred to in this exclusion must be documented in written form in **your** records. This exclusion does not apply to operation of systems during the supervised training of designated operators. c.

All other terms, exclusions and conditions of the policy apply to this extension of coverage.

KINGSPORT, CITY OF

Schedule of Covered Unmanned Aerial Systems

Description	Serial Number
DJI MAVIC PRO DRONE	08Q2F9U00S1080
DJI MATRICE 200 DRONE	0FZDF5R0P20047
SKY-HERO LOKI MK2	01203AC1H0205
SKY-HERO LOKI MK2	01203AC110297
DJI MATRICE 30T RTK	1581F5BKD229100D16ZS

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

SCHOOLS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEACHERS LIABILITY COVERAGE

Coverage C - Errors or Omissions Liability of SECTION I - COVERAGES applies to the following activities: Teaching, coaching, counseling, maintenance, bus driving, food service, teacher's aides and any and all other activities that would involve students of the education system, school or institution that is insured herein. The activities in the prior sentence means acts or omissions by a covered party, whether or not mentioned by name and occupation, in connection with any duties or responsibilities as a member or employee of the faculty or teaching staff, busing staff, maintenance staff, teaching aide staff, construction or any other activity of any school, school system or institution of higher learning whereby you exercise direct or indirect control of students while working on behalf of the school or any institution of higher learning.

CORPORAL PUNISHMENT COVERAGE

The following clause is added to SECTION II - EXCLUSION 1:

In addition, this exclusion does not apply to bodily injury resulting from corporal punishment administered by a certified teacher or faculty member at the direction of the school system or school administration. This exclusion does apply to corporal punishment administered by all other enumerated positions set forth in Coverage C.

Corporal punishment may be defined as any form of physical punishment that involves a knowing, defined and measured infliction of pain, discomfort or detainment for the sole purpose of disciplining or reforming a student, to deter attitudes or behavior deemed unacceptable. This exclusion does apply if corporal punishment as defined herein is administered by any other person, contractor or employee set out in Coverage C who is not a teacher or faculty member of the educational system or institution.

ADDITIONAL EXCLUSION

The following Exclusion is added as respects Coverages A, B, C and D:

We have no duty whatsoever to defend or pay damages arising from any actual or alleged claims/suits involving:

1. Any failure to integrate or desegregate the student enrollment or participation in any school district, school, or educational or extracurricular program on the basis of race, ethnic background, disability, or national origin. This exclusion includes all persons or entities listed under Coverage C;
2. Any busing or other transportation of students to or from schools or extracurricular events in connection with a program or plan of integration or desegregation; or
3. Causing or allowing the student enrollment or educational or extracurricular program to be operated or administered on a discriminatory basis because of race, ethnic background, disability, or national origin.
4. Limited Exception to Additional Exclusions: With regard to **suits** filed in state or federal court for Damages under the Individual Disability Education Act (IDEA), PEP shall have no duty to pay damages in such action, but this Limited Exception allows only for the defense of a covered party in such **suit** filed under IDEA, to include cases regarding an Individual Education Plan (IEP). Such defense shall include a cumulative limit of \$100k for all suits involving a specific student during that student's entire academic career, and all such **suits** filed on behalf of the same child during/throughout that child's academic career shall be considered an Interrelated Occurrence. Within this Limited Exception only, the definition of **suit(s)** is modified such that defense shall include court ordered mediation or arbitration, but specifically excludes any statutory or voluntary meeting, mediation or arbitration under due process or administrative attempts to resolve any IDEA/IEP disagreement between involved parties. Any Class Action suit under IDEA shall utilize the modified definition of **suit** as outlined in this Limited Exception, shall be covered for defense only, and shall be subject to a \$100k single cumulative Class Action defense limit.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

UNINSURED/UNDERINSURED MOTORIST COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

For a covered **auto** licensed or principally garaged in Tennessee, this endorsement modifies coverage provided under Coverage D-Automobile Liability and Coverage E-Automobile Physical Damage provided by **us**.

SCHEDULE

Bodily Injury	<u>\$300,000</u>	Per Occurrence
Property Damage	<u>\$100,000</u>	Per Occurrence

This endorsement provides **bodily injury** and **property damage** uninsured/underinsured motorists coverage.

A. COVERAGE

1. We will pay all sums a **covered party** becomes legally entitled to recover as compensatory **damages** from the owner or driver of an **uninsured motor vehicle**. The **damages** must result from **bodily injury** or **property damage** sustained by a **covered party** caused by an **occurrence**. The owner's or driver's liability for these **damages** must result from the ownership, maintenance, or use of the **uninsured motor vehicle**.
2. If this coverage provides a limit in excess of the amounts required by the applicable law where a covered **auto** is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for **damages** arising out of a **suit** brought without **our** written consent is not binding on **us**.

B. WHO IS INSURED

For the purposes of this endorsement only, the definition of **covered party** is extended to include:

1. Anyone else occupying a covered **auto** or a temporary substitute for a covered **auto**. To qualify as a temporary substitute, the covered **auto** must be out of service because of its breakdown, repair, servicing, loss, or destruction.
2. Anyone for **damages** that they are entitled to recover because of bodily injury sustained by another **covered party**.

C. EXCLUSIONS

This coverage does not apply to:

1. Any **claim** settled without **our** consent.
2. The direct or indirect benefit of any insurer or self-insurer under a workers compensation, disability benefits, minimum wage or overtime law, unemployment compensation law or any similar local, state, or federal law or fair labor standards law.
3. The direct or indirect benefit of any insurer of property.
4. Anyone using an **auto** without a reasonable belief that they are entitled to do so.
5. **Property damage** for which the **covered party** has been or is entitled to be compensated by other property or physical damage coverage.

6. **Bodily injury** to any **covered party** while in the scope of employment or official duties for which the **covered party** has been or is entitled to be compensated by workers compensation or voluntary compensation coverage or any program that replaces the coverages provided by workers compensation whether purchased or not. This excludes any type **damages** that might be available over and above, or outside of, or in addition to, any applicable workers compensation benefits, or workers compensation replacement, or other **damages**, such as pain and suffering, lost wages, loss of consortium, or any other type of compensatory or consequential **damages** arising out of the event.
7. As respects any obligation of a **covered party** for an injury or **damages** arising out of the course and scope of employment or while performing work on behalf of **you**, or any **claims** arising there from. This excludes any type **damages** that might be available over and above, or outside of, or in addition to, any applicable workers compensation benefits, or workers compensation replacement, or other **damages**, such as pain and suffering, lost wages, loss of consortium, or any other type of compensatory or consequential **damages** arising out of the event.
8. Punitive or exemplary damages even if the Punitive-Exemplary Damages endorsement is attached to this policy.

D. LIMITS OF COVERAGE

1. Regardless of the number of covered **autos**, **covered parties**, premiums paid, **claims** made, or **autos** involved in the **accident**, the most **we** will pay for all **damages** resulting from any one **occurrence** is the limit of **uninsured motorists** coverage shown in Item 4 of the Declarations.
2. The most **we** will pay for all damages resulting from bodily injury to a **covered party** when the **covered party** is occupying an **auto** not owned by **you** is the highest limit of **uninsured motorist** coverage on an **auto** owned by the **covered party**.
3. The most **we** will pay for a **covered party** who is a passenger of a vehicle used for public conveyance, who is not employed by **you**, is the the minimum limits mandated by the applicable Tennessee financial responsibility law.
4. Any amount payable under this coverage will be reduced by:
 - a. All sums paid or payable under a workers compensation, disability benefits, minimum wage or overtime law, unemployment compensation law or any similar local, state, or federal law or fair labor standards law.
 - b. All sums paid by or for anyone who is legally responsible, including all sums paid under Coverage D-Automobile Liability.
5. Any amount paid under this coverage will reduce any amount an **insured** may be paid under Coverage D-Automobile Liability.
6. **We** will not pay for a **loss** that is paid or payable under physical damage coverage.

E. CHANGES IN CONDITIONS

SECTION VII-CONDITIONS is amended for uninsured motorists coverage as follows:

1. If **you** or any other **covered party** sustain **bodily injury** while occupying an **auto** not owned by **you** or that **covered party**, the following priorities of recovery apply.
 - a. **FIRST PRIORITY** - The coverage form or policy providing uninsured motorists coverage to the **auto** the **covered party** was occupying at the time of the **accident**.
 - b. **SECOND PRIORITY** - If that primary coverage is exhausted due to the extent of compensatory **damages**, then the **covered party** may recover only from the coverage form or policy insuring the **auto** owned by **you** that provides the highest limit of uninsured motorists coverage. In no instance, will more than one coverage form or policy providing uninsured motorist coverage be available as excess coverage over and above the primary coverage available to that injured **covered party**.

2. DUTIES IN THE EVENT OF **OCCURRENCE** OR **SUIT** is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved; and
- b. Promptly send **us** copies of the legal papers if a **suit** is brought.

3. TRANSFER OF **YOUR** RIGHTS AND DUTIES UNDER THIS AGREEMENT is changed by adding the following:

If **Public Entity Partners** makes any payment and the **covered party** recovers from another party, the **covered party** will hold the proceeds in trust for **us** and pay **us** back the money **we** have paid.

F. DEFINITIONS

1. **Property damage** - for this coverage endorsement only, **property damage** means injury or destruction of:
 - a. A covered **auto**;
 - b. Property contained in the covered **auto** and owned by **you**; or
 - c. Property contained in the covered **auto** and owned by anyone else **occupying** the covered **auto**.
2. **Occupying** - means in, upon, getting in, on, out, or off;
3. **Uninsured Motor Vehicle means a land motor vehicle or trailer:**
 - a. For which no liability bond or policy at the time of an accident provides at least the amounts required by the applicable law where a covered **auto** is principally garaged;
 - b. That is an underinsured motor vehicle. An underinsured motor vehicle is an **auto** or trailer for which the sum of the limits of liability available for payment to a **covered party** under all policies, bonds, and securities applicable at the time of the accident, is less than the limit for this coverage;
 - c. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
 - d. That is a hit-and-run **auto** and neither the driver nor owner can be identified. The **auto** must either:
 - (1) Hit a **covered party**, a covered **auto**, or an **auto** a **covered party** is **occupying**; or
 - (2) Cause **bodily injury** or **property damage** without hitting a **covered party**, a covered **auto**, or an **auto** a **covered party** is **occupying**.
 - (3) If there is no physical contact with the hit-and-run vehicle, the facts of the accident must be proved by clear and convincing evidence. **We** must have corroborating evidence of the claim in addition to evidence provided by occupants in the covered **auto** or in the vehicle a **covered party** is **occupying**.

Uninsured Motor Vehicle does not include any vehicle:

- e. Owned by, furnished, or available for **your** regular use;
- f. Owned or operated by a self-insurer under any applicable motor vehicle law, except as a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- g. Owned by a governmental unit or agency;
- h. Designed for use mainly off public roads while not on public roads; or
- i. While located for use as a premises.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

AUTOMOBILE PHYSICAL DAMAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Automobile Physical Damage - Coverage Part E. applies on a blanket basis to **automobiles** described below.

-
1. ☐ Coverage is applicable for automobiles of all values and ages
2. ☒ Coverage is applicable for automobiles with per automobile values greater than \$100,000 at the time of loss.
3. ☐ Coverage is applicable for automobiles with model year no older than _____

☒☒

Fire Department - Scheduled Stated Value : Unscheduled Fair Market Value
Comprehensive and Collision Deductibles: \$49,900 Each

☒

Utility Department - Scheduled Stated Value : Unscheduled Fair Market Value
Comprehensive and Collision Deductibles: \$49,900 each.

☐☒

All HIRED Street and Road Department Dump Trucks ONLY with fair market value per vehicle no less than \$100,000 each. Comprehensive and Collision deductibles of \$10,000 each.

Attached to and a part of policy number: PLI-0213-26 with effective dates from 07/01/2025 to 07/01/2026.

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

**AUTOMOBILE PHYSICAL DAMAGE COVERAGE
STATED VALUE COVERAGE - FIRE DEPARTMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

For only the **automobiles** scheduled on this endorsement, SECTION 1 - COVERAGES, Item 3 of Coverage E - Automobile Physical Damage is deleted and replaced by the following:

3. The most **we** will pay for **loss** is:
- a. If the cost of repairing a damaged **automobile** is less than the Fair Market Value **we** will pay to repair the equipment to the quality and condition prior to loss.
 - b. If the cost of repairing a damaged **automobile** equals or exceeds the Fair Market Value, **we** will pay the lesser of the following:
 - (1) The 'stated value' amount shown in the schedule on this endorsement or,
 - (2) The cost of a new **automobile** of like kind, quality and function, similarly equipped with allowance for improvements to modern safety standards.

Fair Market Value is the cost for which property of similar type, quality, age and condition prior to loss could be purchased on the date of loss.

Equipment that is permanently attached to a **automobile**, or equipment that supplements the function of the **automobile** and is regularly stored in or on the **automobile**, will be included in the value of the **automobile** unless separately insured.

**KINGSPORT, CITY OF
STATED VALUE FIRE SCHEDULE**

<u>Description of Automobile</u>	<u>VIN</u>	<u>Stated Value</u>
1. 1992 PIERCE TELESQUIRT	0123	421,852
2. 1993 PIERCE AERIAL LADDER TRUCK	0584	785,995
3. 1996 PIERCE QUANTUM FIRE TRUCK	0599	542,519
4. 1997 PIERCE QUANTUM FIRE TRUCK	0473	394,943
5. 2000 FREIGHTLINER FIRE TRUCK	7000	245,392
6. 2000 E-ONE CYCLONE II RESCUE	1638	309,223
7. 2002 PIERCE AERIAL	2631	759,324
8. 2004 FARBER MOBILE COMMAND POST	5952	168,778
9. 2007 SEAGRAVES FIRE PUMPER	2130	234,120
10. 2008 SEAGRAVES FIRE PUMPER	2099	415,685
11. 2009 SEAGRAVES MARAUDER II FIRE TRUCK	2127	432,359
12. 2011 E-ONE CYCLONE II RESCUE FIRE TRUCK	6351	429,732
13. 2012 E-ONE SYCLONE II RESCUE TRUCK	7317	432,163
14. 2012 E-ONE CYCLONE II RESCUE TRUCK	7318	432,163
15. 2016 E-ONE AERIAL PUMPER TRUCK	9986	1,006,672
16. 2017 E ONE CYCLONE II RESCUE PUMPER	0873	524,488
17. 2022 PIERCE PUMPER TRUCK	5075	665,179

Attached to and a part of policy number: PLI-0213-26 with effective dates from: 07/01/2025 to 07/01/2026.

KINGSPORT, CITY OF
STATED VALUE FIRE SCHEDULE

	<u>Description of Automobile</u>	<u>VIN</u>	<u>Stated Value</u>
18.	2022 PIERCE PUMPER TRUCK	5076	665,179
19.	2020 SENTINEL FORD ARV POLICE VEHICLE	4145	289,354
20.	2025 FREIGHTLINER M2112 HAZMAT TRUCK	4739	598,543

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

**AUTOMOBILE PHYSICAL DAMAGE COVERAGE
STATED VALUE COVERAGE - UTILITIES**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

For only the **automobiles** scheduled on this endorsement, SECTION I - COVERAGES, Item 3 of Coverage E - Automobile Physical Damage is deleted and replaced by the following:

3. The most **we** will pay for **loss** is:

- a. If the cost of repairing a damaged **automobile** is less than the Fair Market Value **we** will pay to repair the equipment to the quality and condition prior to loss.
- b. If the cost of repairing a damaged **automobile** equals or exceeds the Fair Market Value, **we** will pay the lesser of the following:
 - (1) The 'stated value' amount shown in the schedule on this endorsement or,
 - (2) The cost of a new **automobile** of like kind, quality and function, similarly equipped with allowance for improvements to modern safety standards.

Fair Market Value is the cost for which property of similar type, quality, age and condition prior to loss could be purchased on the date of loss.

Equipment that is permanently attached to a **automobile**, or equipment that supplements the function of the **automobile** and is regularly stored in or on the vehicle, will be included in the value of the **automobile** unless separately insured.

**KINGSPORT, CITY OF
STATED VALUE UTILITY SCHEDULE**

<u>Description of Automobile</u>	<u>VIN</u>	<u>Stated Value</u>
1. 2007 HEIL AUTOMATED REFUSE	8750	218,444
2. 2007 HEIL AUTOMATED REFUSE	8751	236,328
3. 2007 AMERICAN LAFRANCE CONDOR REFUSE	5442	234,415
4. 2008 MITSUBISHI FUSO PAINT STRIPING	0210	165,071
5. 2009 KENWORTH TANKER TRUCK	3030	173,819
6. 2007 STERLING W/VACALL 810 JETRODDER	4760	301,068
7. 2008 FUSO FM330 POTHOLE PATCHER TRUCK	7569	208,700
8. 2008 FREIGHTLINER SWAPLOADER W/ HOOK LIFT	5928	157,403
9. 2008 GRADALL XL4100III EXCAVATOR TRUCK	0310	311,958
10. 2010 FREIGHTLINER LEAF COLLECTOR TRUCK	1151	175,686
11. 2011 JOHNSTON STREET SWEEPER	8452	125,000
12. 2012 FREIGHTLINER AERIAL BUCKET TRUCK	3476	201,775
13. 2013 FREIGHTLINER M2106 TAC TRUCK	0416	145,709
14. 2013 FREIGHTLINER SWAPLOADER W/HOOK LIFT	7318	158,751
15. 2013 AUTOCAR RECYCLING TRUCK	5686	252,831
16. 2014 FREIGHTLINER TANDEM DUMP TRUCK	4223	106,618
17. 2014 FREIGHTLINER TANDEM DUMP TRUCK	4224	106,618

Attached to and a part of policy number: PLI-0213-26 with effective dates from: 07/01/2025 to 07/01/2026.

KINGSPORT, CITY OF
STATED VALUE UTILITY SCHEDULE

<u>Description of Automobile</u>	<u>VIN</u>	<u>Stated Value</u>
18. 2013 FREIGHTLINER M2106 YARD COMPACTOR	8332	206,155
19. 2013 FREIGHTLINER M2106 YARD COMPACTOR	8333	206,155
20. 2014 FREIGHTLINER ARTICULATING TRASH LOADER	1266	121,650
21. 2013 M2106 ARTICULATING GRABBER TRUCK	1327	114,934
22. 2013 M2106 ARTICULATING GRABBER TRUCK	1328	114,934
23. 2013 M2106 ARTICULATING GRABBER TRUCK	1329	114,934
24. 2013 M2106 ARTICULATING GRABBER TRUCK	1330	114,934
25. 2014 FREIGHTLINER M2106 W/ALTEC AC18-701B CRANE	8895	174,665
26. 2015 KENWORTH T370 DUMP TRUCK W/SNOW PLOW	5382	105,488
27. 2016 JOHNSTON BROS STREET SWEEPER	7070	185,944
28. 2015 MACK LEU613 NEWWAY SIDEWANDER RECYCLE TRUCK	9599	246,287
29. 2016 JOHNSTON BROS STREET SWEEPER M2106	7123	194,994
30. 2017 INTERNATIONAL 7500 W/CAMEL 1200 RODDER #2330	4728	347,158
31. 2017 INTERNATIONAL 7500 W/CAMEL 1200 RODDER #2329	4729	350,158
32. 2015 MACK LEU613 NEWWAY SIDEWANDER RECYCLE TRUCK	9600	246,287
33. 2016 MACK MRU613 LODAL FRONT LOADER	4616	237,992
34. 2018 INTERNATIONAL 7500 SBA GARBAGE TRUCK	2012	102,000
35. 2018 FREIGHTLINER STREET SWEEPER M2106	3648	226,010
36. 2018 MACK NEW WAY SIDEWINDER LR613	3463	269,110
37. 2018 INTERNATIONAL 7300 CAB CHASSIS BRUSH GRABBER	6247	117,445
38. 2019 FREIGHTLINER M2106 W/ROGERS DUMP	3803	114,455
39. 2019 MACK SIDEWINDER GARBAGE TRUCK	1176	278,865
40. 2019 MACK SIDEWINDER GARBAGE TRUCK	1177	270,865
41. 2019 KENWORTH DUMP TRUCK	9078	104,808
42. 2019 TYMCO 600 INTERNATIONAL STREET SWEEPER	6028	227,037
43. 2018 FORD F550 UTILITY BUCKET	4223	108,229
44. 2019 FREIGHTLINER W/ ALTEC MODEL LRV-60	1740	183,878
45. 2020 THOMAS SAF-T-LINER SCHOOL BUS	1869	106,662
46. 2020 KENSWORTH DUMP TRUCK	1212	104,832
47. 2020 KENSWORTH DUMP TRUCK	1213	104,832
48. 2019 FREIGHTLINER M2106 W/ PAC-MACK	6574	135,455
49. 2021 WESTERN STAR 4500 FA	2319	132,013
50. 2021 THOMAS SAF-T-LINER SCHOOL BUS	3412	119,879
51. 2021 THOMAS SAF-T-LINER SCHOOL BUS	3413	119,879
52. 2021 FREIGHTLINER M2106 DUMP TRUCK	2842	101,555
53. 2021 FREIGHTLINER M2106 DUMP TRUCK	2843	101,555
54. 2022 BLUEBIRD SCHOOL BUS	9523	107,248
55. 2021 THOMAS SAF-T LINER SCHOOL BUS	8049	120,579
56. 2021 FREIGHTLINER GARBAGE TRUCK	8775	127,803
57. 2021 FREIGHTLINER M2106 DUMP TRUCK	2867	115,534
58. 2021 MACK GARBAGE TRUCK	4120	285,219

KINGSPORT, CITY OF
STATED VALUE UTILITY SCHEDULE

<u>Description of Automobile</u>	<u>VIN</u>	<u>Stated Value</u>
59. 2021 MACK GARBAGE TRUCK	4121	285,219
60. 2021 FREIGHTLINER JET RODDER TRUCK	9867	368,850
61. 2022 INTERNATIONAL HV607 DUMP TRUCK w/ SNOW PLOW	3010	107,265
62. 2017 INTERNATIONAL DUMP TRUCK	6042	100,700
63. 2022 MACK REFUSE TRUCK	5603	276,551
64. 2023 BLUEBIRD SCHOOL BUS	7606	112,024
65. 2022 FREIGHTLINER DUMP TRUCK	0601	117,814
66. 2022 FREIGHTLINER DUMP TRUCK	0602	117,814
67. 2019 MACK NEW WAY FRONT LOADER	2311	310,042
68. 2014 THOMAS MVP ES43 SCHOOL BUS	0631	111,500
69. 2014 THOMAS MVP ES43 SCHOOL BUS	0632	111,500
70. 2014 THOMAS MVP ES43 SCHOOL BUS	0630	111,500
71. 2015 BLUEBIRD SCHOOL BUS	1071	102,069
72. 2015 BLUEBIRD SCHOOL BUS	1072	102,069
73. 2015 BLUEBIRD SCHOOL BUS	8759	102,819
74. 2015 BLUEBIRD SCHOOL BUS	8757	102,819
75. 2015 BLUEBIRD SCHOOL BUS	8758	102,819
76. 2016 THOMAS SCHOOL BUS	7726	115,500
77. 2016 THOMAS SCHOOL BUS	7727	115,500
78. 2016 THOMAS SCHOOL BUS	7751	103,673
79. 2016 THOMAS SCHOOL BUS	7752	103,673
80. 2016 THOMAS SCHOOL BUS	7753	103,673
81. 2017 BLUEBIRD SCHOOL BUS	7901	102,900
82. 2017 BLUEBIRD SCHOOL BUS	7900	115,287
83. 2018 THOMAS SCHOOL BUS	8304	114,000
84. 2018 THOMAS SCHOOL BUS	8303	114,000
85. 2020 FREIGHTLINER M2106/ VACPAK	1586	204,585
86. 2021 FREIGHTLINER M2106 DUMP TRUCK	2866	115,534
87. 2021 FREIGHTLINER M2106 DUMP TRUCK	2841	101,555
88. 2023 FREIGHTLINER DUMP TRUCK	9414	126,981
89. 2023 FREIGHTLINER DUMP TRUCK	9415	126,981
90. 2023 FREIGHTLINER DUMP TRUCK W/ LEAF VAC	9412	121,192
91. 2023 FREIGHTLINER DUMP TRUCK W/ LEAF VAC	9413	121,192
92. 2023 FREIGHTLINER DUMP TRUCK	9416	143,127
93. 2023 FREIGHTLINER GRABBER TRUCK	0472	204,989
94. 2024 FREIGHTLINER DUMP TRUCK W/ PLOW	6725	166,835
95. 2024 FREIGHTLINER DUMP TRUCK	6724	147,285
96. 2025 FREIGHTLINER BRUSH GRABBER TRUCK	2986	218,299
97. 2025 FREIGHTLINER BRUSH GRABBER TRUCK	2987	218,299
98. 2025 BLUEBIRD SCHOOL BUS MODEL T3FE3603S	3822	165,404
99. 2025 BLUEBIRD SCHOOL BUS MODEL T3FE3603S	3821	165,404

Attached to and a part of policy number: PLI-0213-26 with effective dates from: 07/01/2025 to 07/01/2026.

KINGSPORT, CITY OF
STATED VALUE UTILITY SCHEDULE

<u>Description of Automobile</u>	<u>VIN</u>	<u>Stated Value</u>
100. 2025 BLUEBIRD SCHOOL BUS MODEL T3FE3603S	3820	182,027
101. 2023 AUTOCAR NEW WAY SIDE LOADER	4516	404,972
102. 2019 INTERNATIONAL DUMP TRUCK	2419	103,245
103. 2019 KENWORTH TANDEM AXLE DUMP TRUCK	1574	119,070
104. 2022 AUTOCAR NEW WAY SIDE LOADER	8064	351,395
105. 2022 AUTOCAR NEW WAY SIDE LOADER	8066	351,395
106. 2023 AUTOCAR NEW WAY SIDE LOADER	0564	360,895
107. 2023 AUTOCAR NEW WAY SIDE LOADER	0565	360,895
108. 2023 FORD F350 UTILITY CAMERA TRUCK	6736	142,426
109. 2026 BLUEBIRD SCHOOL BUS	7637	166,408
110. 2026 BLUEBIRD SCHOOL BUS	7638	166,408
111. 2026 BLUEBIRD SCHOOL BUS	7639	166,408
112. 2026 BLUEBIRD SCHOOL BUS	7640	166,408
113. 2026 BLUEBIRD SCHOOL BUS	7641	166,408
114. 2026 BLUEBIRD SCHOOL BUS	7642	166,408
115. 2026 BLUEBIRD SCHOOL BUS	7643	166,408
116. 2026 BLUEBIRD SCHOOL BUS	7644	166,408
117. 2026 BLUEBIRD SCHOOL BUS	7645	166,408
118. 2023 RAM BRAUN HANDICAP VAN	0531	153,619
119. 2023 RAM BRAUN HANDICAP VAN	3526	153,619
120. 2023 RAM BRAUN HANDICAP VAN	3543	153,619
121. 2023 RAM BRAUN HANDICAP VAN	0507	153,619
122. 2023 RAM BRAUN HANDICAP VAN	0502	153,619

**PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE**

AUTOMOBILE PHYSICAL DAMAGE CATASTROPHE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

KINGSPORT, CITY OF

AUTOMOBILE PHYSICAL DAMAGE - Coverage Part E. applies on a blanket basis to **automobiles** described below.

As respects **automobiles** excluded by the limitations of "The Automobile Physical Damage Endorsement" coverage is applicable for **automobiles** of all values and ages for all departments of the insured as respects a catastrophe loss only. A catastrophe loss is any **occurrence** that involves more than one **automobile** caused by a peril insured under Comprehensive coverage.

This catastrophe coverage is subject to a per **occurrence** deductible equal to the greater of either:

1. The value used as a coverage qualifier under clause 2 of "The Automobile Physical Damage Endorsement" or,
2. The deductible shown on the declaration page under Item 6. Deductibles, Coverage E. Automobile Physical Damage - Comprehensive Coverage.

In any one **occurrence** if it is determined that more than one deductible could apply, only the highest applicable deductible will be applied to all physical damage coverage provided by this policy.

The Limit below is the total payable under this endorsement. This limit does not include coverage for **automobiles** for which coverage is provided (not excluded) by The Automobile Physical Damage Endorsement.

Catastrophe Limit: \$13,000,000 Per Occurrence and Annual Aggregate.

PUBLIC ENTITY PARTNERS**Liability Premium Breakdown****KINGSPORT, CITY OF**

Policy #: PLI-0213-26

Coverage Term: 07/01/2025-07/01/2026

General Liability**Net Premium**

General Fund			23,524.45
Street Department			1,091.81
Sewer Department			362.52
Schools			1,137.34
Water Department			7,997.46
Electric Department			0.00
Sanitation Department			2,558.08
Gas Department			0.00
Fire Department			7,624.44
First Responders			4.94
EMTs			129.53
Paramedics			55.51
Parks & Recreation			3,194.75
Fireworks			0.00
Golf Courses			238.68
Swimming Pools			353.88
Water Slides			1,468.34
Batting Cages			246.66
Skateboarding Course			102.77
Organized Sports			2,965.57
Airport Liability			0.00
Unmanned Aerial Systems			266.58
Carousels			106.63
Boats and Jet Skiis			62.68
Firing Ranges			0.00
Lakes, Ponds, Bodies of Water			978.99
Splash Pads			0.00
Pump Tracks			0.00

Total General Liability**54,472****Law Enforcement****Number of****Premium Per****Net Premium**

Police Officers - Certified	114	342.790	39,078.06
Police Officers - Non-Certified	0		0.00
Aux/Reserve/Temp/P-T Officers	0		0.00
Jail-Certified	1	1,733.045	1,733.04
Jail - Non-Certified	0		0.00
Holding Areas	1	180.741	180.74
Enforcement Dogs	3	331.290	993.87
Drug or Search Dogs	1	31.947	31.95
Additional Programs	0		0.00
Punitive Damages-LE	0	0.012	1,228.99

Total Law Enforcement**43,247**

PUBLIC ENTITY PARTNERS**Liability Premium Breakdown****KINGSPORT, CITY OF**

Policy #: PLI-0213-26

Coverage Term: 07/01/2025-07/01/2026

Errors-Omissions**Net Premium**

E+O Base Premium			49,296.78
Privacy Network Liability			4,918.34
Punitive Damages-EO			896.20

Total Errors-Omissions**55,111****Auto Liability****# of Vehicles****Prem/Veh****Net Premium**

Ambulance	0		0.00
PPT - Police	155	96.665	14,983.08
PPT	49	64.913	3,180.74
Light Trucks	112	76.175	8,531.60
Other Trucks	82	83.370	6,836.34
Utility Trucks	44	83.370	3,668.28
Fire Trucks	27	121.379	3,277.23
Antique Fire Trucks	1	60.533	60.53
Sanitation Trucks	21	121.379	2,548.96
Passenger Vans	26	72.577	1,887.00
Buses	62	96.665	5,993.23
Passenger Vans - Other	21	163.611	3,435.83
Buses - Other	11	218.357	2,401.93
Trailers	97	21.429	2,078.61
Motorcycles	2	25.183	50.37
Hired and Non-Owned Only	0		0.00
Uninsured Motorist	613	7.528	4,614.97

Total Auto Liability**710****63,549****Auto PD****Values****Rate****Net Premium**

Police / Ambulance Unscheduled	0		0.00
Police / Ambulance Scheduled	289,354	0.006394	1,850.13
Fire Fighting Equipment-Unscheduled	0		0.00
Fire Fighting Equipment-Scheduled	9,464,309	0.003417	32,339.54
Utility Equipment-Unscheduled	0		0.00
Utility Equipment-Scheduled	20,769,939	0.003417	70,970.88
Total Other Values	0		0.00
APD Catastrophe Coverage	13,000,000	0.000947	12,311.00
Comprehensive Only	0		0.00

Total Auto PD**43,523,602****117,472****Grand Total:****333,851**



LIABILITY COVERAGE POLICY

PUBLIC ENTITY PARTNERS
Tennessee's Leader in Governmental Insurance and Risk Management

TABLE OF CONTENTS

LIABILITY COVERAGE

Section I	
Coverages.....	1
Coverage A	
General Liability.....	1
Coverage B	
Personal Injury Liability.....	1
Coverage C	
Errors or Omissions Liability.....	2
Coverage D	
Automobile Liability.....	2
Coverage E	
Automobile Physical Damage.....	2
Section II	
Exclusions.....	3
Section III	
Who Is Covered.....	9
Section IV	
Limits of Coverage.....	11
Section V	
Definitions.....	14
Section VI	
Supplementary Payments.....	23
Section VII	
Conditions.....	24

PUBLIC ENTITY PARTNERS
MUNICIPAL LIABILITY COVERAGE

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

Throughout this policy the words **you**, **your**, **municipality**, **governmental entity**, and **covered party** refer to Item 1 - Insured named in the Declarations. The words **we**, **us**, and **our** refer to Public Entity Partners (**PE Partners**) (formerly known as the Tennessee Municipal League Risk Management Pool). The words **municipality**, **governmental entity**, and **covered party** are defined under SECTION III - WHO IS COVERED.

Other words and phrases that appear in bold have special meaning. Refer to SECTION V - DEFINITIONS.

SECTION I - COVERAGES

**COVERAGE A. GENERAL LIABILITY BODILY
INJURY AND PROPERTY DAMAGE
(CLAIMS MADE BASIS)**

PE Partners will pay on **your** behalf all sums **you** become legally obligated to pay as **damages** because of **bodily injury** or **property damage** to which this coverage applies, provided that the **claim** is first made against **you** during the **coverage period**. **PE Partners** has no other obligation or liability to pay sums or perform acts or services not covered unless explicitly provided for under SECTION VI - SUPPLEMENTARY PAYMENTS. This coverage does not apply to **bodily injury** or **property damage** that occurred before the retroactive date, if any, shown in the Declarations nor that occurs after the **coverage period**. The **bodily injury** or **property damage** must be caused by an **occurrence**. The **occurrence** must take place in the **coverage territory**. **PE Partners** will defend any **suit** against **you** even if the allegations of the **suit** are groundless, false, or fraudulent, subject to policy terms, exclusions and conditions. **PE Partners** may investigate and settle any **claim** or **suit** as **we** deem expedient.

**COVERAGE B. PERSONAL INJURY LIABILITY
(CLAIMS MADE BASIS)**

PE Partners will pay on **your** behalf all sums **you** become legally obligated to pay as **damages** because of **personal injury** to which this coverage applies, sustained by any person or organization, provided that the **claim** is first made against **you** during the **coverage period**. **PE Partners** has no other obligation or liability to pay sums or perform acts or services not covered unless explicitly provided for under SECTION VI - SUPPLEMENTARY PAYMENTS. This coverage does not apply to **personal injury** that occurred before the retroactive date, if any, shown in the Declarations nor that occurs after the **coverage period**. The **personal injury** must be caused by an **occurrence**. The **occurrence** must take place in the **coverage territory**. **PE Partners** will defend any **suit** against **you** even if any of the allegations of the **suit** are groundless, false, or fraudulent, subject to policy terms, exclusions and conditions. **PE Partners** may investigate and settle any **claim** or **suit** as **we** deem expedient.

COVERAGE C. ERRORS OR OMISSIONS LIABILITY (CLAIMS MADE BASIS)

PE Partners will pay on **your** behalf all sums **you** become legally obligated to pay as **damages** because of any **claim** first made against **you** during the **coverage period** by reason of any negligent act, error, omission, or the violation of any rights, privileges, or immunities secured by the Constitution or the laws of the United States of America to which this coverage applies. **PE Partners** has no other obligation or liability to pay sums or perform acts or services not covered unless explicitly provided for under SECTION VI - SUPPLEMENTARY PAYMENTS. This coverage does not apply to any act, error, omission, or violation of rights, privileges, or immunities that occurred prior to the retroactive date, if any, shown in the Declarations or that occurs after the **coverage period**. The **claim** for **damages** must be caused by an **occurrence**. The **occurrence** must take place in the **coverage territory**. **PE Partners** will defend any **suit** against **you** even if any of the allegations of the **suit** are groundless, false, or fraudulent, subject to policy terms, exclusions and conditions. **PE Partners** may investigate and settle any **claim** or **suit** as **we** deem expedient.

COVERAGE D. AUTOMOBILE LIABILITY BODILY INJURY AND PROPERTY DAMAGE (OCCURRENCE BASIS)

PE Partners will pay on **your** behalf all sums **you** become legally obligated to pay as **damages** because of **bodily injury** or **property damage** to which this coverage applies, caused by an **occurrence** and arising out of the ownership, maintenance, or use, including **loading** and **unloading** of any **automobile**. **PE Partners** has no other obligation or liability to pay sums or perform acts or services not covered unless explicitly provided for under SECTION VI-SUPPLEMENTARY PAYMENTS. This coverage applies only to **bodily injury** or **property damage** that occurs during the **coverage period**. The **occurrence** must take place in the **coverage territory**. **PE Partners** will defend any **suit** against **you** even if the allegations of the **suit** are groundless, false, or fraudulent, subject to policy terms, exclusions and conditions. **PE Partners** may investigate and settle any **claim** or **suit** as **we** deem expedient.

COVERAGE E. AUTOMOBILE PHYSICAL DAMAGE

1. **PE Partners** will pay for **loss** to a covered **auto** or its equipment under:
 - a. Comprehensive Coverage. From any cause except the covered **auto's** collision with an object or its overturn; and
 - b. Collision Coverage. Caused by the covered **auto's** collision with an object or its overturn.
2. At **our** option, **we** may:
 - a. Pay for, repair, or replace damaged or stolen property; or
 - b. Return the stolen property, at **our** expense. **We** will pay for any **damage** to the **auto** resulting from the theft.
3. The most **we** will pay for **loss** is the fair market value of the lost, damaged or stolen property. Fair market value is the cost for which property of similar type, quality, age and condition prior to loss could be purchased on the date of loss.
4. For each covered **auto**, **our** obligation to pay for, repair, return, or replace damaged or stolen property will be reduced by the applicable deductible shown in Item 6 of the Declarations.

5. **We** will pay for glass breakage, **loss** caused by hitting a bird or animal, or by falling objects or missiles under Comprehensive Coverage if **you** carry Comprehensive Coverage for the damaged covered **auto**. However, **you** have the option of having glass breakage caused by the covered **auto's** collision or overturn considered as a **loss** under Collision Coverage.
6. **We** will reimburse actual and necessary expenses related to rental of a temporary comparable substitute **auto** when there is not another vehicle available by any other means, for the number of days reasonably required to repair or replace a damaged **auto** covered by this **auto** physical damage coverage subject to a total reimbursement of \$25,000 per occurrence.

SECTION II - EXCLUSIONS

With respect to exclusions qualified with 'alleged' wording, all coverage is excluded, including investigation, defense and judgments. For other exclusions, **PE Partners** will investigate and defend allegations until a point at which it is determined, by the judgment of **PE Partners**, that the exclusion 'actually' applies, at which point all coverage will cease.

This coverage does not apply to **Bodily Injury, Property Damage, Personal Injury**, or any **claim for Damages, or any claim under the Non-Monetary Defense Coverage**;

1. Resulting from an **intentional wrongful act, error, or omission** on **your** part or on the part of any **covered party**. This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property, pursuant to the constitution of the United States, federal law, or the constitution or laws of the State of Tennessee. This exclusion does not apply to **bodily injury** or **property damage** resulting from an **intentional act** if an error was made in the selection of the intended subject or location of the act.
2. For which **you** may be held liable by reason of:
 - a. Causing or contributing to the intoxication of any person;
 - b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - c. Any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.

This exclusion applies only if **you** are in the business of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages.

3. As respects any injury, **damages** or **claims** that come within the scope of any workers compensation, disability benefits, minimum wage or overtime law, unemployment compensation law or any similar local, state, or federal law or fair labor standards law. This exclusion applies to any injury, **damages** or **claim** that comes within the scope of any workers compensations law including if **you** have opted to not participate under such law or to purchase such coverage.
4. As respects any obligation of a **covered party** for an injury or **damages** or **claims** arising out of the course and scope of employment or while performing work on behalf of **you**, or any **claims** arising there from.
5. As respects any volunteer firefighter, volunteer police officer, volunteer rescue squad member, auxiliary police officer, reserve police officer, or elected official while acting on **your** behalf if the volunteer is an **employee** within the meaning of a workers compensation law or similar law applicable to the volunteer or is eligible for coverage under a voluntary compensation endorsement to a workers compensation policy or other coverage document, whether purchased or not.

6. As respects damages claimed by:
 - a. An **employee** of **yours** for injury arising out of and in the course of employment by **you**; or
 - b. The spouse, child, parent, brother, or sister of that **employee** as a consequence of a. above.This exclusion applies:
 - c. Whether **you** may be liable as an employer or in any other capacity; and
 - d. To any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.
7. Arising out of:
 - a. Any actual or alleged **Employment Practices Violation** unless specifically provided for by endorsement to this policy or
 - b. Any actual violation of the provisions of any federal, state, or local law prohibiting discrimination, harassment, or retaliation that does not qualify as an **Employment Practices Violation**.
8. Arising out of any violation of the Tennessee Open Meeting Act ("Sunshine Law"), T.C.A. § 8-44-101, et seq.
9. Arising out of any violation of the Tennessee Open Records Law, T.C.A. § 10-7-503, et seq.
10. Arising out of the management, ownership, maintenance, service, construction, design, operation, use, or entrustment to others of any watercraft owned, operated by, rented, or loaned to **you**.

This exclusion does not apply to:

 - a. A watercraft while ashore on premises **you** own or rent; or
 - b. A watercraft that is:
 - (1) Less than 26 feet long; and
 - (2) Not being used to carry persons or property for a charge.
11. Arising out of the use of **automobiles**, motorcycles, **mobile equipment** or watercraft in or while in the practice or preparation for, a prearranged racing, pulling, pushing, speed, or demolition contest or in any stunting activity.
12. Arising out of war, whether or not declared, or any act or condition incident to war; riots; unlawful assemblies; public demonstrations; mob violence; and civil disturbances. War includes civil war, insurrection, rebellion, or revolution.
13. As respects any **loss**, cost, or expense arising out of nuclear reaction, nuclear radiation, or radioactive contamination.
14. As respects property damage to:
 - a. Property **you** own, rent, transport, or occupy;
 - b. Premises that **you** sell, give away, or abandon, if the **property damage** arises out of any part of those premises;
 - c. Property loaned to **you**;
 - d. That particular part of real property on which **you** or any contractor or subcontractor working directly or indirectly on **your** behalf are performing operations, if the **property damage** arises out of those operations;
 - e. **Your work** arising out of **your work** or any part of **your work**;
 - f. **Your product** arising out of **your product** or any part of **your product**; or
 - g. Personal property in **your** care, custody, and control, except for **impounded property or commandeered property**.

Items c., d., e., and g. above do not apply to liability assumed under a sidetrack agreement. This exclusion does not apply to **damage** by fire to premises rented to **you**. A separate limit of coverage applies to this coverage as described in SECTION IV - LIMITS OF COVERAGE.

15. As respects 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:
 - a. **Your product;**
 - b. **Your work;** or
 - c. **Impaired property**
if the product, work, or property is withdrawn or recalled from use by any person or organization because of a known or suspected defect, deficiency, inadequacy, or dangerous condition in it.
16. Arising out of or contributed to by any complete or partial failure to supply water, electricity, gas, steam, sewer, internet or phone service or other form of communication, including **power surge**. This exclusion does not apply, however, if:
 - a. The complete or partial failure to supply results from sudden and accidental injury, caused solely by **your** negligence, to tangible property owned or used by **you** to procure, produce, process, or transmit the water, electricity, gas, steam, or sewer service; or
 - b. The complete or partial failure to supply results from the unintended switching off of water, electricity, gas, steam, or sewer service.
17. Arising out of the ownership, operation, or maintenance of any hospital, nursing home, or medical treatment or testing facility or psychiatric treatment or testing facility. This exclusion includes liability arising out of medical related operations, certifications, treatment, waste disposal, and the privacy security of medical records. This exclusion does not apply to liability arising solely from the premises hazards of an outpatient clinic owned or operated by the insured when the medical services are entirely provided by an entity other than an insured.
18. Arising out of the rendering of or failure to render any professional services, test, treatment or procedure by any medical professionals including:
 - a. Doctor of Medicine;
 - b. Dentist; or
 - c. Nurse, except with respect to those activities performed in the capacity of a certified emergency medical technician, paramedic or school nurse who is an employee of a governmental entity.
 - d. This exclusion does not apply to emergency medical technicians (EMTs) and paramedics while acting solely in the duties of EMT or paramedic.
19. Arising out of the rendering of or the failure to render professional services by an architect, attorney, engineer, surveyor, contractor, subcontractor or any other person or professional who enters a contractual relationship to perform services, unless performed by an **employee** or **agent** of the **municipality**.
20. Arising out of:
 - a. Mechanically operated amusement devices or carnival type rides or zip lines;
 - b. Rodeo or zoo;
 - c. Fireworks displays or exhibitions if performed by other than a **covered party**.
 - d. Fireworks displays or exhibitions performed by a **covered party** unless the Fireworks Application Checklist and the Fireworks Safety Affidavit provided to **you** by **PE Partners** at **your** request have been completed by **you** or by any **covered party** and accepted by **PE Partners**.

- e. Ski facility involving the use of chair lifts, rope tows, or ski jumps.
 - f. Ownership, manufacture, operation, design, use, or maintenance of trampolines or rebound devices. Rebound devices are devices that use pressure, springs, elasticized material or cords, or other means to repel, bounce, eject or change the direction of a person's body, but rebound device does not include air inflated amusement devices. The rebound device exclusion does not apply to utility and emergency services operations.
 - g. War games or re-enactments; or
 - h. Ownership, maintenance, operation, or use of golf carts and all-terrain vehicles (ATVs). This exclusion does not apply to golf carts and all-terrain vehicles (ATVs) used strictly to service the premises or operational functions of the **municipality** or operated on golf courses owned by the **municipality**.
21. Arising out of activities undertaken pursuant to any written interlocal cooperation agreement, written mutual aid agreement, or joint powers entity or its officers or **employees**, unless the written interlocal cooperation agreement, written mutual aid agreement or joint powers entity is an Insured in Item 1 of the Declarations.
 22. Arising out of the ownership, maintenance, management, service, construction, design, operation, use, or entrustment to others, or in **your** care, custody, or control, of any:
 - a. Airport, airfields, runways, hangars, buildings, or other properties in connection with aviation activities; or
 - b. Aircraft, or any aircraft component part or equipment or any airplane navigational or aviation related equipment.
 23. Arising out of any act, error, or omission by **you** or **your employees**, volunteers, agents or any **covered party** that is outside the scope of employment or official duties.
 24. Arising out of the willful violation of a statute or ordinance, including federal, state or local laws committed with **your** knowledge or consent.
 25. Arising out of any publication or utterance if the first injurious publication or utterance of the same or similar material by **you** or on **your** behalf was made prior to the retroactive date of this coverage.
 26. Arising out of a publication or utterance concerning any individual, any organization, or any business enterprise, or its products or services, made by **you** or at **your** direction with knowledge of the falseness of the publication or utterance.
 27. For which **you** are obligated to pay **damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **damages**:
 - a. Assumed in a contract or agreement that is a **covered contract** in which case any coverage afforded to the contracting party is solely limited to liability specifically resulting from the conduct of a Named Insured which may be imputed to the contracting party. Limits provided to a contracting party will not exceed those applicable to the Named Insured; or
 - b. That **you** would have in the absence of the contract or agreement.
 28. Arising out of any actual or alleged breaching of any contract.
 29. Arising out of the actual, alleged, or threatened discharge, dispersal, release, or escape of **pollutants** or arising out of any governmental direction, request or requirement that **you** test for, monitor, clean up, remove, report, contain, treat, detoxify, or neutralize **pollutants**:
 - a. At or from premises **you** own, rent, lease, occupy, or acquire during the policy period, and premises **you** no longer own, rent, lease, or occupy. This exclusion does not apply to any **Bodily Injury** and **Property Damage** arising out of a **Short-Term Pollution Event** provided **you** notify **us** of the **Short-Term Pollution Event** as soon as practicable, but no more than fourteen (14) days after its ending;

- b. At or from any site or location used by or for **you** or others for the handling, storage, disposal, processing, or treatment of waste;
- c. That are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for **you** or any person or organization for whom **you** may be legally responsible; or
- d. At or from any site or location on which **you** or any contractors or subcontractors working directly or indirectly on **your** behalf are performing operations:
 - (1) If the **pollutants** are brought on or to the site or location in connection with these operations; or
 - (2) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize the **pollutants**.

This exclusion does not apply to any **Bodily Injury** and **Property Damage** arising out of a **Short-Term Pollution Event** provided **you** notify **us** of the **Short-Term Pollution Event** as soon as practicable, but no more than fourteen (14) days after its ending.

This exclusion does not apply to:

- e. Fuel, lubricants, fluids, or exhaust gases that have leaked from a covered **auto** if they are needed for or result from normal electrical, hydraulic, or mechanical functioning of the **auto** and leak from the part of the **auto** designed by its manufacturer to hold or dispose of them;
 - f. Overturn or upset of an **automobile**; or
 - g. A **Limited Liability Pollution Claim**.
30. Arising out of any actual, alleged, or threatened presence, growth, proliferation, spread, or any activity of **fungus**, wet or dry rot, bacteria, virus, amoeba or other microorganism.
 31. Arising out of the actual, alleged, or threatened ingestion, inhalation, absorption of, exposure to, or existence of lead, lead-containing alloys, and lead by-products in any form:
 - a. At or from premises **you** own, rent, lease, occupy, or acquire during the policy period and premises **you** no longer own, rent, lease, or occupy.
 - b. At or from any site or location used by or for **you** or others; or
 - c. That are at any time transported, handled, stored, treated, disposed of, or processed as water or waste by or for **you** or any person or organization for whom **you** may be legally responsible, and arising out of any governmental direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize the effects of lead in any form.
 32. Arising out of actual, alleged, or threatened existence of or exposure to electromagnetic fields emanating from power lines, grounding systems, appliances, or lightning.
 33. Arising from the actual, alleged, or threatened existence, handling, installation, processing, manufacture, sale, distribution, storage, use, or removal of asbestos, asbestos products, or products containing asbestos.
 34. Arising out of any of the following whether or not **you** take possession of any tangible or intangible property: actual or alleged violation of the annexation law and actual or alleged condemnation, inverse condemnation, adverse possession, dedication by adverse use, imposition of exactions or impact fees or any unconstitutional taking of property. This also excludes any judicial or administrative action associated with any such proceedings or processes asking for injunctive or declaratory relief prior to, during or after any of these proceedings or processes.
 35. Arising out of the actual or alleged permission of the use and operation of golf carts and all-terrain vehicles (ATVs) on streets and roads as a result of an ordinance enacted by the **municipality** permitting the use and operation of golf carts and all-terrain vehicles (ATVs) on streets and roads.

36. Arising out of any actual violation or alleged violation of criminal law resulting in criminal proceedings against **you** or any **covered party**. In the event that any **covered party** is convicted of or pleads nolo contendere or is found guilty in a criminal proceeding or is permitted to plead or enter a diversion program, the **covered party** is immediately excluded under SECTION III-WHO IS COVERED as respects any related civil **suit**, regardless of the status of that **suit**.
37. As respects any **class action** suit arising out of any actual or alleged act, error or omission of any insured. This includes any **claim** arising from **interrelated occurrences** regardless of whether they are filed as part of a **class action** or not.
38. Arising out of any actual or alleged ouster **suit** or proceeding, including any proceeding to remove someone from any office or prevent anyone from taking office, or any appeal or action seeking to nullify any previous action.
39. Arising out of any actual or alleged act, error, or omission of any individual, any organization, or any business enterprise other than that of the **municipality** or any **covered party**.
40. Arising out of action taken by any **covered party** against another **covered party**. This exclusion does not apply to claims by your employee(s) under Employee Benefits/Fiduciary Liability coverage.
41. Arising out of the failure by **you** or by an independent contractor for which **you** are legally responsible to properly handle, manage, store, destroy or otherwise control information in any form.
42. Arising out of a violation of any **privacy regulation**.
43. Arising out of a failure of **network security**.
44. Damages arising out of the failure of performance of a contract by any insurer.
45. Damages arising out of an insufficiency of funds to meet any obligations under any plan included in any **employee benefit program**.
46. Any **claim** based upon, arising out of, or resulting from:
 - a. Failure of any investment to perform;
 - b. Errors in providing information on past performance of investment vehicles; or
 - c. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in any **employee benefit program**;
 - d. The actual or alleged failure to collect or remit contributions to any **employee benefit program** or the failure to fund an **employee benefit program** in accordance with ERISA (Employee Retirement Income Security Act of 1974), or Public Health Services Act (42 U.S.C. § 201, *et seq*) as now or hereafter amended or any federal, state or local common or statutory law and any rules or regulations promulgated thereunder, or in accordance with any **employee benefit program** requirements, including claims resulting from the remediation, restructuring, redesigning, discontinuance or change in funding or design, of any employee benefit program designed to correct such failure to fund.
 - e. The failure to comply with any statutory or common law governing workers' compensation, unemployment, social security or disability benefits or any similar law; provided, however, this exclusion shall not apply to any actual or alleged obligation of any **covered party** pursuant to the:
 - (1) Consolidated Omnibus Budget Reconciliation Act of 1985, as amended; or
 - (2) Health Insurance Portability and Accountability Act of 1996, as amended.

47. Any claim arising out of any actual or alleged, failure to pay or failure to collect or allocate any tax, fine, penalty, fee or revenue, including any franchise fee, surcharges or governmental revenue. This shall include any claim arising out of the actual or alleged failure to refund any overcharges or interest owed. This exclusion includes any taxes required to be split with, shared with or remitted to any other governmental entity or any subdivision of government or subdivision of any governmental entity.
48. Medical expenses for any county inmate or other prisoner confined in a county jail/workhouse arising from any injury or illness received while on a municipal work project. This exclusion applies to all medical expenses or damages arising from activities authorized or governed by Tenn. Code Ann. § 41-2-123. Any interlocal agreement(s) intending to assume liability for expenses related to injury or illness covered by this exclusion is entered into at the insured's own risk and does not supersede this exclusion. This exclusion applies to medical expenses or damages, but not to defense coverage provided by **PE Partners**.

Additionally, as respects Coverage E - Automobile Physical Damage, this coverage does not apply to:

49. Wear and tear, freezing, or mechanical or electrical breakdown unless caused by other **loss** for which coverage is provided. This exclusion does not apply to freezing of firefighting equipment if occurring during active firefighting or firefighting training, or within 24 hours after the end of firefighting or firefighting training.
50. Blowouts, punctures, or other road damage to tires unless caused by other **loss** for which coverage is provided.
51. **Loss** to tape decks, compact disc players, DVD equipment, or other sound or video reproducing equipment unless permanently installed in a covered **auto**;
52. **Loss** to tapes, records, compact discs, DVDs, or other sound or video reproducing devices designed for use with sound or video reproducing equipment; or
53. **Loss** to any sound or video equipment designed for use as a citizens' band radio, two-way mobile radio or telephone, or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the auto manufacturer for the installation of a radio or other sound or video equipment.

SECTION III - WHO IS COVERED

1. **You** or **governmental entity** means the **municipality** or other governmental body, political subdivision, board, department, or entity named in Item 1 of the Declarations and includes the Interlocal Cooperation Agreement between **you** and **PE Partners** and includes **your** interest in the Mutual Aid and Emergency and Disaster Assistance Agreement Act of 2004.
Unless specifically named in Item 1. Insured, of the Declarations, **governmental entity** does not include a:
 - a. gas, electrical, water, sewer or steam utility if managed by a board, commission or entity other than the municipality named in Item 1. Insured, of the Declarations,
 - b. port authority,
 - c. housing or redevelopment authority,
 - d. welfare or public relief agency,
 - e. school board, or

- f. any written mutual aid agreement, written interlocal cooperation agreement, joint venture, or joint powers entity including any board created by such agreements.

This paragraph applies regardless of how an entity is structured or governed.

2. **Covered party** means:

- a. **You or governmental entity**; and
- b. While acting within their official duties:
 - (1) A member of the legislative body of the **municipality**,
 - (2) A member of any board or commission of the **municipality** that is named in Item 1. Insured, of the Declarations,
 - (3) An elected or appointed official of the **municipality**,
 - (4) An employee of the **municipality**,
 - (5) To the extent allowed by law, a volunteer person or organization while acting on behalf of and at the direction of the **municipality**; or
 - (6) To the extent allowed by law, any other authorized person or **agent** of the **municipality** while acting on behalf of the **municipality**.

Covered party does not include any independent contractors.

- c. An 'Additional Insured' as designated by endorsement to this policy or as designated by a certificate of insurance issued as evidence of this policy. The coverage afforded to the Additional Insured is solely limited to liability specifically resulting from the conduct of a Named Insured which may be imputed to the Additional Insured. Coverage provided to an 'Additional Insured' will not exceed coverage applicable to the Named Insured.

3. Additionally, as respects Coverage D - Automobile Liability; **covered party** means:

- a. Any elected or appointed official or employee of the **municipality** with respect to a non-owned **automobile** but only while the non-owned **automobile** is being used for **municipality** business,
- b. To the extent allowed by law, any individual, any organization, or any business enterprise while using an owned **automobile** or a hired **automobile** with **your** permission, provided their actual operation or other actual use of the **automobile** is within the scope of **your** permission, or
- c. Any volunteer firefighter, paramedic, emergency medical technician or emergency medical responder with respect to any **automobile** while the **automobile** is being used while the responder is **on duty** in the performance of official duties. **On duty** means during scheduled patrol duties or while responding to, or returning from, an emergency situation on **your** behalf. On duty does not include periods 'on-call' and not in the process of responding to an emergency situation on **your** behalf.

SECTION IV - LIMITS OF COVERAGE

1. **PE Partners'** maximum limit of liability for Coverages A, B, C, and D, respectively, is as shown in Item 4 of the Declarations. Coverage provided is limited to the liability of a **governmental entity** under the **Tort Liability Act**.
2. The Limits of Coverage shown in Item 4 of the Declarations and the provisions below fix the most we will pay under each coverage part
 - a. **Covered Parties**;
 - b. **Claims** made or **suits** brought;
 - c. Persons or organizations making **claims** or bringing **suits**; or
 - d. **Autos** to which coverage applies.
3. The Medical Payments limit shown in Item 4. Limits of Coverage, of the Declarations is the most we will pay under Coverage A and Coverage D for medical expenses as described below for **bodily injury** caused by an accident:
 - a. On premises **you** own or rent, or on which **you** are conducting operations; or
 - b. Involving any person occupying a covered **auto**.

We will make these payments regardless of fault and as excess to any other coverage provided that the injured person submits to examination at **our** expense by a physician of **our** choice as often as **we** reasonably require. These payments will not exceed the applicable limit of coverage shown in Item 4. Limits of Coverage, of the Declarations, including actual reasonable expenses for:

 - c. First aid at the time of an accident,
 - d. Necessary medical, surgical, x-ray, and dental services, including prosthetic devices; and
 - e. Necessary ambulance, hospital, professional, and nursing services.

We will not pay expenses for **bodily injury**:

 - f. Until the expenses are actually incurred. No payments will be made for future or anticipated expenses.
 - g. To any **covered party** except for **covered parties** described in 2. b (5). as reflected under SECTION III - WHO IS COVERED;
 - h. To any **claim** for **damages** for which coverage is excluded under SECTION II -EXCLUSIONS; or
 - i. To any **claim** for **damages** for which liability is imposed on **you** by the **Tort Liability Act**.

To the extent necessary to provide for the no-fault medical payments coverage, and only to that extent, **you** and **PE Partners** waive the immunity provided by the **Tort Liability Act**.
4. The Catastrophic Medical Expenses Excess of Bodily Injury Limit Coverage is not required by The Tort Liability Act or any state or federal law. The intent of this coverage is to provide additional protection for catastrophic medical expenses incurred by an injured party, who becomes personally liable for medical expenses due to insufficient insurance coverage or lack of insurance coverage.

To the extent necessary to provide for the Catastrophic Medical Expenses Excess of Bodily Injury coverage, and only to that extent, **you** and **PE Partners** waive the limits provided by the **Tort Liability Act**. The Catastrophic Medical Expenses Excess of Bodily Injury limit shown in Item 4. Limits of Coverage, of the Declarations is the most **we** will pay under Coverage A and Coverage D for Catastrophic Medical Expenses Excess of Bodily Injury as described below for **bodily injury** caused by an accident.

We will pay for Catastrophic Medical Expenses Excess of Bodily Injury for any one person when **actual, reasonable, and necessary medical expenses** exceed fifty percent (50%) of the applicable Per Person Bodily Injury limit as set forth by the Tort Liability Act shown in Item 4. Limits of Coverage, of the Declarations. Then all **actual, reasonable, and necessary medical expenses** are transferred and are subject to the Catastrophic Medical Expenses Excess of Bodily Injury limit shown in Item 4. Limits of Coverage, of the Declarations. These payments will not exceed the applicable limit of coverage shown in Item 4. Limits of Coverage, of the Declarations and are calculated on a paid basis only.

- a. Once the **actual, reasonable and necessary medical expenses** are transferred in accordance with the provisions of this policy, **PE Partners** shall negotiate payment to the health care provider or negotiate reimbursement with any governmental payor in settlement of any medical **claims** incurred as a result of a covered **occurrence**. **PE Partners** shall make no payments to any provider where medical expenses are covered under any insurance coverage or reimbursements to an insurance company having a contractual liability to provide payment of medical expenses to the injured party.
- b. **PE Partners** for the **governmental entity** shall attempt to settle and pay the **actual, reasonable and necessary medical expenses**. Under no circumstances shall either **PE Partners** or the **governmental entity** pay any medical expenses in excess of \$1,000,000 per covered **occurrence** or \$500,000.00 per person **Bodily Injury** Limit as shown in Item 4. Limits of Coverage, of the Declarations.

We will not pay for Catastrophic Medical Expenses Excess of Bodily Injury:

- c. Until the expenses are actually incurred and no later than six (6) months after the date of occurrence. No payments will be made for future or anticipated expenses;
- d. To any **covered party**;
- e. To any **claim** for **damages** for which coverage is excluded under SECTION II - EXCLUSIONS; or
- f. To any **claim** for **damages** for which liability is imposed on **you** by the **Tort Liability Act**, other than Catastrophic Medical Expenses Excess of Bodily Injury.

Only **actual, reasonable, and necessary medical expenses** are eligible for inclusion in the Catastrophic Medical Expenses Excess of Bodily Injury limit. No attorney fees shall be awarded from the Catastrophic Medical Expenses Excess of Bodily Injury limit.

5. The Fire Damage limit shown in Item 4. Limits of Coverage, of the Declarations is the most **we** will pay under Coverage A for **damages** because of **property damage** to premises rented to **you** arising out of any one fire.
6. The Commandeered Property Damage limit shown in Item 4. Limits of Coverage, of the Declarations is the most **we** will pay under Coverage A for **damages** because of **property damage** to **commandeered property**. To the extent necessary to provide for the no-fault Commandeered Property Damage Coverage, and only to that extent, **you** and **PE Partners** waive the immunity provided by the **Tort Liability Act**. We will make these payments regardless of fault.
7. The Impounded Property Damage limit shown in Item 4. Limits of Coverage, of the Declarations is the most **we** will pay under Coverage A. General Liability, for **damages** because of **property damage** to **impounded property**.
8. The Non-Monetary Defense Cost Coverage limit shown in Item 4. Limits of Coverage, of the Declarations is the most **we** will pay per **occurrence** for legal defense costs as respects any **suit** against the **municipality** or **covered party** in which no monetary damages are sought even if the allegations of the **suit** are groundless, false, or fraudulent, except as otherwise provided in

SECTION II - EXCLUSIONS. Legal defense costs include **PE Partners** approved attorney fees, court costs, court reporting and transcription fees, general witness and expert witness fees and expenses, and similar legal defense related costs. Plaintiff expenses/costs including but not limited to attorney fees, court costs, court reporting and transcription fees, general witness and expert witness fees and expenses, and similar legal related costs are not covered by this policy.

In the event that the Non-Monetary Defense Cost Coverage limit shown in Item 4 of the Declarations is exceeded, all legal defense costs in excess of the Non-Monetary Defense Cost Coverage limit shown in Item 4. Limits of Coverage, of the Declarations shall be paid by the **municipality or covered party**.

In the event that a Non-Monetary Defense Cost claim becomes a claim for **damages** that are subject to coverage by another coverage part on this policy, the legal defense costs and **claim expenses** already incurred under Non-Monetary Defense Cost Coverage will reduce the limit available under the other coverage if such limit includes reductions for **claim expenses**.

9. **PE Partners** is not obligated to pay any **claim** or judgment or to defend any **suit** after the applicable limit of **PE Partners'** liability under Coverages A. General Liability, B. Personal Injury Liability, C. Errors or Omissions Liability, or D. Automobile Liability has been exhausted by payment of **damages**.
10. The Per Occurrence Limits for each **occurrence** under Coverage C - Errors or Omissions Liability is the most **we** will pay for the sum of **damages** or injuries arising out of any one **occurrence** under Coverage C - Errors or Omissions Liability. If a **claim** is brought under both this coverage and any other coverage, the limits of liability under Per Occurrence for Coverage C is the maximum limit of liability provided for the **claims** made, regardless of the number of coverages under which the **claims** may be brought.
11. The Per Occurrence Limits for Each Other Loss under Coverages A, B, or D, is the most **we** will pay for the sum of **damages** or injuries arising out of any one **occurrence** covered by this policy under any provision other than the **Tort Liability Act**. If a **claim** is brought under both the **Tort Liability Act** and any other provision, then only one Per Occurrence Limit for Each Other Loss is the maximum limit of liability for the **claims** made regardless of the number of actions or coverages under which the **claims** may be brought.
12. The Employee Benefits/Fiduciary Liability limit shown in Item 4. Limits of Coverage, of the Declarations is the most **we** will pay for the sum of **damages** or injuries arising out of any one **occurrence** for liability arising from any negligent act, error or omission, including any breach of the responsibilities, obligations or duties imposed upon fiduciaries of **your employee benefits programs** by the Employee Retirement Income Security Act of 1974 (ERISA), Public Health Services Act (42 U.S.C. § 201, *et seq*) or by the Health Insurance Portability and Accountability Act of 1996, or any similar state or local common or statutory law, and any rules and regulations promulgated under any of these Acts, in the **administration** of **your employee benefits program**.
13. The Per Occurrence Limit for **Bodily Injury** and the Per Occurrence Limit for **Property Damage**, under the **Tort Liability Act**, is the most **we** will pay for the sum of **damages** arising out of any one **occurrence** under Coverages A, B, or D. In addition, **our** liability is further limited under the Per Person Limits, **Tort Liability Act**, to any one person for any number of **claims** arising out of a single **occurrence** for all **damages** other than **property damage** as shown in Item 4 of the Declarations.
14. The maximum limit of liability for an **occurrence** under Coverages A, B, or D for which an employee is held personally liable pursuant to the provisions of T.C.A. § 29-20-310, part of the **Tort Liability Act**, is as stated in 9. above.

15. For only the purpose of determining the limit of **our** liability and applicable coverages, all **loss** arising out of **interrelated occurrences** will be considered as arising out of one **occurrence**.
16. For the purpose of determining the limit of **our** liability, all **loss** arising out of the use of a hired **automobile** or a non-owned **automobile** is considered excess of any other collectible insurance.
17. With respect to a covered person provided coverage by virtue of clause 3.b. of Section III Who Is Covered, **PE Partners'** maximum limits of liability for Coverage D. Automobile Liability will be the minimum limits of insurance coverage required by the 'Governmental Tort Liability Act', whether governed by the Governmental Tort Liability Act or not, which are those limits shown in Item 4. of the Declarations under Coverage D; Automobile Liability, designated 'As Limited by the Tort Liability Act'.

SECTION V - DEFINITIONS

1. **Actual, reasonable, and necessary medical expenses** means medical, hospital, surgical, and other related medical care costs, including physical therapy and prosthetic devices.
2. **Administration** means:
 - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of **employee benefit programs**;
 - b. Handling records in connection with the **employee benefit program**; or
 - c. Effecting, continuing or terminating any employee's participation in any benefit included in the **employee benefit program**.However, **administration** does not include handling payroll deductions.
3. **Agent** means an individual, organization, and/or business enterprise that is expressly given binding authority in writing to act on behalf of or to obligate **you** for a particular and specific purpose.
4. **Automobile (Auto)** means a land motor vehicle, trailer, or semi-trailer designed and licensed for travel on public roads, including any attached machinery or equipment, but does not include **mobile equipment**.
 - a. Hired **automobile** means any **automobile** not owned by **you** that **you** lease, hire, rent, or borrow, provided the **automobile** is not owned by any **covered party**. Any **automobile**, except those used for public conveyance, that is leased for a term of three hundred sixty-five (365) days or more will be treated as an owned **automobile** and not a hired **automobile**.
 - b. Non-owned **automobile** means any **automobile** that is neither an owned **automobile** nor a hired **automobile**.
 - c. Owned **automobile** means any **automobile** owned by the **governmental entity**.
 - d. Trailer includes semi-trailer but does not include **mobile equipment**.
5. **Bodily Injury** means physical injury, sickness, or disease sustained by a person, including death at any time resulting from physical injury, sickness, or disease.
6. **Claim** means:
 - a. A written demand against **you** for monetary damages or non-monetary or injunctive relief;
 - b. A civil proceeding against **you** seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading, including any appeal therefrom;
 - c. An arbitration proceeding against **you** seeking monetary damages or non-monetary or injunctive relief; or

- d. A formal employment-related investigation brought by the U.S. Department of Labor, the U.S. Pension Benefit Guaranty Corporation, Tennessee Human Rights Commission, or Equal Employment Opportunity Commission (EEOC).
7. **Claim Expenses** means reasonable and necessary attorneys' fees, court costs, court reporting and transcription fees, general witness and expert witness fees and expenses, and other fees and costs incurred by **us**, or by a **covered party** with **our** prior written consent, in the investigation and defense of covered **claims**. **Claim Expenses** shall not include wages, salaries, fees or costs of directors, officers or **Employees of ours or yours**. **Claim Expenses** shall be reduced by any recoveries or salvages which have been paid or will be collected.
8. **Class Action** – Any legal action or suit filed that includes a petition to the court to be certified as a class action.
9. **Commandeered property** means:
- a. Buildings belonging to someone else that **you** commandeer, seize, borrow, or take over for official use to handle an emergency situation; or
 - b. Personal property belonging to someone else including **automobiles**, watercraft and aircraft, and animals that **you** commandeer, seize, borrow, or take over for official use to handle an emergency situation.
10. **Computer System** means computer hardware, software, firmware, and the data stored thereon, as well as associated input and output devices, data storage devices, networking equipment or other electronic data backup facilities.
11. **Coverage Period** means the time period commencing with the 'From' date shown in Item 2. of the policy declarations or the date that a coverage part is added to the policy whichever is later, and ending with the 'To' date shown in Item 2. of the policy declarations or the date that a coverage part is cancelled or deleted from the policy whichever is earlier.
12. **Coverage territory** means:
- a. The United States of America (including its territories and possessions), Puerto Rico, and Canada;
 - b. International waters or airspace provided the injury or **damage** does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or **damage** arises out of:
 - (a) Goods or products made or sold by **you** in the territory described in a. above; or
 - (b) The activities of a person whose home is the territory described in a. above, but is away for a short time on **your** business;
 - (2) The **municipality's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in a. above or in a settlement to which **we** agree; and;
 - (3) The **suit** is brought or presented in the United States of America only.
13. **Covered contract** means:
- a. A lease of premises;
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;

- d. Any other easement agreement, except in connection with construction or demolition operations on or within fifty (50) feet of a railroad;
- e. An indemnification of a **municipality** as required by ordinance; or
- f. An elevator maintenance agreement.
- g. Interlocal agreements between governmental entities as duly authorized by law, unless otherwise excluded. For purposes of this provision only, "governmental entity" means any political subdivision of the state, including, but not limited to, any incorporated city or town, metropolitan government, county, utility district, school district, nonprofit volunteer fire department receiving public funds and recognized under title 68, chapter 102, part 3, rescue squad, human resource agency, public building authority, airport authority, or development district.

A **covered contract** does not include that part of any contract or agreement:

- h. That indemnifies an architect, engineer, or surveyor for injury or **damage** arising out of:
 - (1) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications; or
 - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or **damage**;
- i. Under which the **municipality's** architect, engineer, or surveyor assumes liability for injury or **damage** arising out of the **municipality's** rendering or failing to render professional services, including those listed in g. above and supervisory, inspection, or engineering services;
- j. That indemnifies any individual, any organization, or any business enterprise for **damage** by fire to premises rented or loaned to **you**; or
- k. Pertaining to the **municipality's** business under which **you** assume the tort liability of another to pay **damages** because of **bodily injury, property damage, or personal injury** to any individual, any organization, or any business enterprise.

14. **Damages** means all forms of money **damages** and legal expense or other costs that **you** will be obligated to pay by reason of a judgment (or, where applicable, settlement), including, but not limited to:

- a. Hospital, medical, and funeral charges;
- b. Premiums on attachment or appeal bonds;
- c. Interest;
- d. Expenses for doctors, lawyers, nurses, investigators, and other persons;
- e. Litigation expenses (including, but not limited to, attorneys' fees and disbursements, except under Non-Monetary Defense Coverage where attorney fees and costs are not damages.); and
- f. Expenses for settlement, adjustment, and investigation of **claims** covered (excluding salaries of employees and office expenses of the insured).

Salvages, recoveries, or payments recovered or received subsequent to a **loss** settlement will be applied as if recovered or received prior to the settlement and all necessary adjustments will be made by the parties.

Damages does not include any of the following:

- g. Any obligation of a **covered party** under a workers compensation, disability benefits, minimum wage or overtime law, unemployment compensation law or any similar local, state, or federal law or fair labor standards law;
- h. Any obligation of a **covered party** for an injury arising out of the course and scope of employment, or while performing work on behalf of **you**, or any **claims** arising there from;
- i. Punitive damages or exemplary damages or treble damages;
- j. Taxes, fines or penalties;
- k. Future or past wages, salaries, or compensation and front or back pay;

- l. Benefits payable under any **employee benefits program**. However, for Coverage C. Errors or Omissions-Employee Benefits Liability only, benefits from an **employee benefit program** may be included in the definition of damages. However, benefits are not included as damages if arising solely out of any breach of the responsibilities, obligations or duties imposed upon fiduciaries of **your employee benefits programs** by the Employee Retirement Income Security Act of 1974 (ERISA), Public Health Services Act (42 U.S.C. § 201, *et seq*) or by the Health Insurance Portability and Accountability Act of 1996, or any similar state or local common or statutory law. **Damages** for benefits will not exceed the difference between benefits for which a claimant qualifies after an error or omission and benefits that would have been available had no error or omission occurred;
 - m. Injunctive or equitable relief or quasi-judicial or administrative orders; and
 - n. Any obligation of any nature in a discrimination, harassment, or retaliation **claim** brought pursuant to any local, state, or federal law.
 - o. Any obligation that the payment of which would cause unjust enrichment of any party.
15. **Employee** means any person hired by **you** whether past or present, full-time or part-time, that works in return for financial or other compensation, including those persons hired on a temporary or leased basis. An **employee** does not include an officer or the incumbent of an office whose position is subject to ouster proceedings as defined by charter, private acts or statute. For the purposes of **Employment Practices Violations** this definition includes applicants for employment with **you**.
16. **Employee benefit program** means a program providing some or all of the following benefits to **employees**, including **employees** under an employment contract, whether provided through a "cafeteria plan" or otherwise:
- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies;
 - e. Any plan defined as an Employee Benefit Plan by the Employee Retirement Income Security Act of 1974 (ERISA) or Public Health Services Act (42 U.S.C. § 201, *et seq*) as amended, or any similar state or local common or statutory law, or any rules and regulations promulgated thereunder.

However, **employee benefits program** does not include any plan providing benefits as an alternative to statutory workers compensation coverage.

17. **Employment Practices Violation** means any actual or alleged:
- a. Wrongful dismissal, discharge, termination or demotion of an **employee**, whether actual or constructive;
 - b. **Employee** related misrepresentation;
 - c. Violation of any federal, state, or local laws (whether common or statutory) concerning **employees** or discrimination against **employees**;
 - d. **Sexual Harassment** or other unlawful workplace harassment of **employees**;

- e. Wrongful deprivation of a career opportunity or failure to employ, promote or grant tenure to an **employee**;
 - f. Wrongful discipline of **employees**;
 - g. Negligent evaluation of **employees**;
 - h. Failure to adopt adequate workplace or employment policies and procedures;
 - i. **Employee** related libel, slander, defamation or invasion of privacy; or
 - j. **Retaliation** against an **employee**.
18. **Fungus** means any type or form of **fungus**, including mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by **fungi**.
19. **Impaired property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
- a. It incorporates **your product** to **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- If such property can be restored to use by:
- c. The repair, replacement, adjustment or removal of **your product** or **your work**; or
 - d. Your fulfilling the terms of the contract or agreement.
20. **Impounded property** means:
- a. Any property held by **you** as evidence in a criminal proceeding;
 - b. Buildings belonging to someone else that **you** take and hold in legal custody in **your** official capacity of enforcing the laws of the local, state, or federal government; or
 - c. Personal property belonging to someone else including **automobiles**, watercraft, aircraft, or animals that **you** take and hold in legal custody in **your** official capacity of enforcing the laws of the local, state, or federal government.
21. **Intentional wrongful act, error, or omission** means:
- a. To act with design, resolve, purpose, determination, or willfulness; or
 - b. An act, error, or omission for which the consequences are expected or intended from **your** standpoint.
22. **Interrelated Occurrences** means all occurrences that have as a common nexus, any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes. In cases involving **sexual abuse**, this applies regardless of:
- a. the number of acts of **sexual abuse**,
 - b. the number of locations of **sexual abuse**, or
 - c. the period of time over which the **sexual abuse** took place, or
 - d. the number of perpetrators if the perpetrators work in collusion.
23. **Limited Liability Pollution Claim** means any **claim** for **damages** resulting from a **sudden occurrence** that:
- a. Is caused by an actual, alleged, or threatened discharge, dispersal, release, or escape of **pollutants** that takes place entirely above ground and not within or on the surface of any lake, stream, surface water, or other body of water and any resulting **damages** that occur entirely above ground and not within or on the surface of any lake, stream, water, or other body of water; or
 - b. Arises from the accidental rupture, backup, or overflow of the **municipality's** sanitary sewer, storm sewer, or water supply systems.

24. **Loading or unloading** means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or **auto**;
- b. While it is in or on an aircraft, watercraft, or **auto**; or
- c. While it is being moved from an aircraft, watercraft, or **auto** to the place where it is finally delivered.

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

25. **Loss or losses** means direct or accidental damage or **loss**.

26. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off of public roads;
- b. Vehicles maintained for use solely on or next to locations owned or rented and not licensed for highway use;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted;
 - (1) Power cranes, shovels, loaders, diggers, or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers, or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps, and generators, including spraying, welding building cleaning, geophysical exploration, lighting, and well-servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers; or
- f. Vehicles not described in e. above maintained primarily for purposes other than transportation of persons or cargo.

Self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment**, but will be considered **automobiles**:

- g. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing;
 - (3) Street cleaning; or
 - (4) Firefighting;
- h. Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; or
- i. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well-servicing equipment.

27. **Network Security** means those activities performed by **you**, or by others on **your** behalf, to protect against unauthorized access to, unauthorized use of, a denial of service attack by a third party directed against, or transmission of unauthorized, corrupting or harmful software code to **your computer system**.

28. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
29. **Personal Information** means:
- a. an individual's name, social security number, medical or healthcare data, other protected health information, driver's license number, state identification number, credit card number, debit card number, address, telephone number, account number, account histories, or passwords; and
 - b. other non-public personal information as defined in **privacy regulations**;
- in any format. **Personal information** shall not include information that is lawfully made available to the general public for any reason, including but not limited to information from federal, state or local government records.
30. **Personal injury** means injury, other than **bodily injury**, arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment, or malicious prosecution;
 - b. The publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy, except publication or utterances in the course of or related to advertising, broadcasting, or telecasting activities conducted by or on behalf of the **covered party**;
 - c. Wrongful entry or eviction or other invasion of the right of private occupancy; or;
 - d. Assault or battery committed for the purpose of protecting persons or property or incident to an arrest.
31. **Pollutants** means any solid, liquid, gaseous, aural, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, noise, or waste. Waste includes materials to be recycled, reconditioned, or reclaimed. **Pollutants** does not include fungus, mold, bacteria, virus or any microorganism.
32. **Power surge** means a sudden or transient increase, rush, burst, or oversupply of electric current or voltage or a violent oscillatory disturbance in electric current or voltage from an electric power company.
33. **Privacy Regulations** means the following statutes and regulations associated with the care, custody, control or use of personally identifiable financial, medical or other sensitive information:
- a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and Health Information Technology for Economic and Clinical Health Act;
 - b. Gramm-Leach-Bliley Act of 1999;
 - c. Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003;
 - d. Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), but solely for alleged violations of unfair or deceptive acts or practices in or affecting commerce, and
 - e. Other similar state, federal, and foreign identity theft and privacy protection legislation that requires entities that collect **personal information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **personal information** has potentially been compromised.
34. **Products - completed operations hazard** includes all **bodily injury** and **property damage** occurring away from premises **you** own or rent and arising out of **your product** or **your work** except:
- a. Products that are still in **your** physical possession; or
 - b. Work that has not yet been completed or abandoned.

35. **Property damage** means:

- a. Physical injury to tangible property, including all resulting loss of use of that property; or
- b. Loss of use of tangible property that is not physically injured.

36. **Retaliation** means an act of a **covered party** relating to or alleged to be in response to:

- a. Disclosure or threat of disclosure by an **employee** of **you** to a superior or to any governmental agency of any act by a **covered party** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
- b. Actual or attempted exercise by an **employee** of **you** of any right that such **employee** has under law, including rights under workers' compensation laws, the Family and Medical Leave Act, The Americans with Disabilities Act or any similar state or local law;
- c. An **employee** of **you** filing a **Claim** under the Federal False Claims Act or any other federal, state, local or foreign whistle-blower law;
- d. Strikes by **employees** of **you**; or
- e. Political affiliation of an **employee** of **you**.

37. **Sexual Abuse** means any actual, attempted or alleged sexual behavior toward a person by another person, or persons acting in concert, which causes physical and/or mental injuries. **Sexual Abuse** includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual Abuse** does not include **Sexual Harassment**.

38. **Sexual Harassment** means any actual or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. **Sexual Harassment** includes:

- a. The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
- b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile, or offensive work environment.
- c. **Sexual Harassment** does not include **Sexual Abuse**.

39. **Short-Term Pollution Event** means a discharge, dispersal, release or escape of **pollutants** which;

- a. Begins during the policy period;
- b. Begins at an identified time and place;
- c. Ends in its entirety, at an identified time within forty-eight (48) hours of the beginning of the discharge, dispersal, release, or escape of **pollutants**;
- d. Does not originate from an **Underground Storage Tank**;
- e. Is not a repeat or resumption of a previous discharge, dispersal, release or escape of the same **pollutant** from essentially the same source within twelve (12) months of a previous discharge, dispersal, release or escape; and
- f. Is not heat, smoke or fumes from a hostile fire.

To be a **Short-Term Pollution Event**, the discharge, dispersal, release or escape of **pollutants** need not be continuous. However, if the discharge, dispersal, release or escape is not continuous, then all discharges, dispersals, releases or escapes of the same **pollutants** from essentially the same source, considered together, must satisfy a. through d. above to be considered a **Short-Term Pollution Event**.

40. **Sudden occurrence** means an accident that takes place entirely above ground or water, and the resulting pollution that begins and ends within seventy-two (72) hours following the accident. A related series of accidents will be deemed to be a single **sudden occurrence**. In case of a related series of accidents, the **sudden occurrence** will be deemed to have taken place when the first accident in the related series takes place.

41. **Suit** means a civil proceeding in which **damages** because of **bodily injury, property damage, personal injury**, or error or omission to which this coverage applies are alleged. Suit includes a civil proceeding seeking declaratory or injunctive relief or mandamus. **Suit** includes an arbitration proceeding alleging these **damages** to which **you** must submit or submit with **our** consent. **Suit** does not mean any criminal proceeding against any **covered party**.

42. **Tort Liability Act** means the Tennessee Governmental Tort Liability Act, T.C. A. § 29-20-101, et seq., and as amended from time to time.

43. **Underground Storage Tank** means any storage tank, including any attached pumps, valves or piping which;

- a. Is buried below the surface of the ground or water; or
- b. At any time, had been buried under the surface of the ground or water and then subsequently exposed.

For the purpose of this definition, buried means at least 10% of the tank is below the surface of the ground or water.

44. **Your Computer System** means a **computer system**:

- a. leased, owned, or operated by **you**; or
- b. operated for the benefit of **you** by a third-party service provider under written contract with **you**.

45. **Your product** means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed, or disposed of by:
 - (1) **You**;
 - (2) Others trading under **your** name; or
 - (3) Any individual, any organization, or any business enterprise whose business or assets **you** have acquired; and
- b. Containers (other than **automobiles**), materials, parts, or equipment furnished in connection with these goods or products.

Your product includes warranties or representations made at any time with respect to the fitness, quality, durability, or performance of any of the items included in a. and b. above.

46. **Your work** means:

- a. Work or operations performed by **you** or on **your** behalf; and
- b. Materials, parts, or equipment furnished in connection with **your work** or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability, or performance of any of the items included in a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- c. When all of the work called for in **your** contract has been completed;
- d. When all of the work to be done at the site has been completed if **your** contract calls for work at more than one site;

- e. When that part of the work done at a job site has been put to its intended use by any individual, any organization, or any business enterprise other than another contractor or subcontractor working on the same project; or
- f. When all the work is completed, except for any needed service, maintenance, correction, repair, or replacement.

SECTION VI - SUPPLEMENTARY PAYMENTS

In addition to **PE Partners'** maximum limit of liability for Coverages A. General Liability, B. Personal Injury Liability, C. Errors or Omissions Liability, and D. Automobile Liability, respectively, as shown in Item 4. Limits of Coverage, of the Declarations and described in SECTION IV - LIMITS OF COVERAGE, **we** will pay, with respect to any **claim** or **suit** **we** defend:

1. All **claim expenses** **we** incur;
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of coverage. **We** do not have to furnish these bonds;
3. All reasonable expenses incurred by **you** at **PE Partners'** request to assist in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to \$100 a day because of time off work;
4. Pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of coverage, **we** will not pay any pre-judgment interest based on that period of time after the offer; and
5. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of coverage.

These payments will not reduce the limits of coverage as shown in Item 4. Limits of Coverage, of the Declarations and described in SECTION IV - LIMITS OF COVERAGE.

SECTION VII - CONDITIONS

1. AGREEMENTS BETWEEN THE PARTIES

You agree that this policy, the application **you** submitted for coverage, and the Bylaws, Corporate Charter, Interlocal Cooperation Agreement and Joinder Resolution, rules or regulations adopted by the Board of Directors of **PE Partners**, and any terms, conditions, or rules issued as provided in those documents by the Board of Directors of **PE Partners**, embody all policies existing between **you** and **PE Partners** or any of **our** employees and representatives relating to this policy and coverages.

2. ACCEPTANCE

By accepting this policy, **you** agree to act on **your** behalf and on behalf of all employees with respect to the giving and receiving of the notice of **claim** or cancellation, the payment of premiums, and the receiving of any return premiums that may become due under this policy, and the employees agree that **you** will act on their behalf. By accepting this policy, **you** also agree to be bound by the terms and conditions of the Bylaws, Corporate Charter, Interlocal Cooperation Agreement and Joinder Resolution of **PE Partners**, as may be amended from time to time, and the resolutions and rules of the Board of Directors of **PE Partners**. By accepting this policy, **you** also agree that the terms of this policy may not be waived or changed except by endorsement as shown on the Declarations.

3. CHANGES IN POLICY

This policy and the documents relating to **PE Partners** and the Board of Directors of **PE Partners** specified in Paragraph 1 and 2 of this SECTION VII - CONDITIONS contain all of the agreements between **you** and **PE Partners** concerning the coverage afforded. The coverage terms can be amended or waived only by endorsement issued by **PE Partners** and made a part of this policy and only after not fewer than thirty (30) days' notice to **you**. The first insured named in Item 1. Insured, of the Declarations may make changes in the terms of this policy with the consent of **PE Partners**.

4. REPRESENTATIONS

This policy is issued in reliance upon the truth of representations in the application and statements in this policy. By accepting this policy, **you** agree:

- a. The statements on the application, policy and any associated affidavits are accurate and complete;
- b. Those statements are based upon representations **you** made to **us**;
- c. **We** have issued this policy in reliance upon **your** representations; and
- d. **You** have exercised due care in all representations made to **us**.
- e. To submit to a statement under oath regarding this policy, application for this policy or any affidavits or other representations made to **us** regarding this contract.

Any claim attributable to **your** failure to maintain or carry out any representations referred to herein will subject **you** to denial of coverage for such claim.

5. NON-WAIVER OF IMMUNITY

We and **you** understand and agree that nothing in this policy, except as otherwise provided, will constitute any express or implied waiver of any constitutional, statutory, or common law immunity from liability of any **covered party** or any limitation on liability.

6. BANKRUPTCY

Your bankruptcy or insolvency or that of an employee or employee's estate will not relieve **us** of **our** obligations under any coverage in this policy.

7. DUTIES IN THE EVENT OF OCCURRENCE, SUIT, OR CLAIM

- a. When there is an **occurrence, suit, or claim**, the **covered party** or someone on the **covered party's** behalf must notify **PE Partners** or any of **our** authorized representatives as soon as practicable. The notice must contain particulars sufficient to identify:
 - (1) The **covered party**;
 - (2) The place and circumstances of the **occurrence, suit, or claim**;
 - (3) The names and addresses of any injured parties; and
 - (4) The names and addresses of available witnesses.
- b. If **claim** is made or **suit** is brought against the **covered party**, the **covered party** will immediately forward to **PE Partners** or **our** representatives every demand, notice, summons, or other process received by the **covered party** or the **covered party's** representative. **PE Partners** has the right to deny coverage should a covered party take any action, respond to any allegation, court or agency, make any voluntary payments, assume any obligations or incur any expense other than first aid at the time of an accident, prior to reporting an **occurrence** to **PE Partners**.
- c. The **covered party** will cooperate with **PE Partners** and, upon **PE Partners'** request, assist in making settlement, assist in the conduct of **suits**, and assist in enforcing any right of contribution or indemnity against any person, any organization, or any business enterprise that may be liable to the **covered party** because of **damages** with respect to that coverage afforded under this policy; and the **covered party** shall attend hearings and trials and assist in securing and getting evidence and obtaining the attendance of witnesses. The **covered party** will not, except at his own cost, voluntarily make any payment, assume any obligation, or incur any expense other than for first aid to others at the time of accident.
- d. **We** and **you** understand and agree that **your** failure to comply with 7.b. or 7.c. above will void coverage afforded under this policy.
- e. **PE Partners** retains the right to appoint, engage, or hire legal representatives of **our** choice. Failure by you to accept defense by **PE Partners**, or **PE Partners** choice of defense counsel, will void coverage.
- f. A **claim** by any person or organization seeking **damages** will be deemed to have been made when notice of the **claim** is received and recorded by the **municipality** or by **PE Partners**, whichever received the **claim** first. All **claims** against any **covered parties** as the result of an **occurrence** will be deemed to have been made at the time the first of those **claims** is made against a **covered party**.
- g. Additionally, with respect to Coverage E - Automobile Physical Damage loss, **you** must:
 - (1) Cooperate with **us** in the investigation, settlement, or the conduct of any **suit**. **You** will not, except at **your** own cost, voluntarily make any payment, assume any obligation, or incur any expense;
 - (2) Permit **us** to inspect and appraise the damaged property before its repair or disposition;
 - (3) Do what is reasonably necessary after loss at **our** expense to protect the covered **auto** from further loss;

- (4) Submit a proof of **loss** when required by **us**; and
- (5) Promptly notify the police if the covered **auto** or any of its equipment is stolen.

8. PUBLIC ENTITY PARTNERS' DUTY TO DEFEND AND/OR INDEMNIFY

- a. **PE Partners** will defend any **claim** against the **municipality** or **covered party** seeking **damages** even if any of the allegations of the **claim** are groundless, false, or fraudulent, except as otherwise provided in SECTION II - EXCLUSIONS. **We, you** and a **covered party** understand and agree that **your** or a **covered party's** refusal to accept **our** defense, or choice of defense counsel, for any **claim**, will void coverage afforded under this policy for that **claim**.
- b. **PE Partners'** duty to pay on behalf of or to indemnify a **covered party** other than the **municipality** does not apply to any act, error, or omission that constitutes:
 - (1) malfeasance in office;
 - (2) willful and wanton neglect of duty;
 - (3) dishonesty on the part of a **covered party**; or
 - (4) the willful violation of a statute or ordinance by any official, **employee**, or **agent** of the **municipality**.

9. ACTION AGAINST PUBLIC ENTITY PARTNERS

No person or organization has a right under this policy:

- a. To join **us** as a party or otherwise bring **us** into a **suit** asking for **damages** from **you** or an **employee** or to determine **your** liability or the liability of an **employee**; or
- b. To sue **us** under this policy unless there has been compliance with all of its terms.

A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against **you** or an **employee** obtained after an actual trial, but **we** will not be liable for **damages** that are not payable under the terms of this policy or that are in excess of the applicable limit of coverage. An agreed settlement means a written settlement and release of liability signed by **us**, **you**, and the claimant or the claimant's legal representative. Neither **you** nor an **employee**, nor either of **your** legal representatives, may implead **PE Partners** in any **suit** or **claim**.

10. OTHER INSURANCE

In the event of dispute between **PE Partners** and one or more insurers as to which policy or coverage agreement applies to a covered **loss**, **PE Partners** will indemnify **you** for any legal or other expenses that are necessarily incurred by **you** in determining whether **PE Partners** or the other insurer(s) must bear the **loss**. This indemnification will be made in the same proportion as the **loss** payment. **You** must cooperate with **PE Partners** in the development and execution of reasonable procedures to resolve the dispute. If collectible insurance or any type of bond with another insurer(s) or surety is available to **you** covering a **loss** also covered by this policy, the coverage provided in this policy will be excess and not contribute to the underlying coverage.

11. SUBROGATION

PE Partners is subrogated to all of **your** and **your** employee's rights of recovery against any individual, any organization, or any business enterprise. **You** must do nothing to impair or prejudice these rights of recovery at any time. **You** must execute and deliver instruments and papers and do whatever else is necessary to secure those rights.

Contracts with any individual, any organization, or any business enterprise entered into by **you** or

by any **covered party** must not waive **your** or **our** subrogation rights. Waiving **your** or **our** subrogation rights will void coverage afforded under this policy.

12. PREMIUMS AND PREMIUM ADJUSTMENTS

The insured named in Item 1. Insured, of the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums **we** pay.

If during the policy period changes in law, including but not limited to the **Tort Liability Act**, applicable to Tennessee governmental entities are made by legislative revision or judicial interpretation that affect coverages under this policy, **PE Partners** reserves the right to make premium adjustments during the policy period. This right is in addition to the provisions for premiums due for coverage changes.

13. DISPUTE RESOLUTION

If **you**, a **covered party**, or **PE Partners** disagree on a matter relating to a **claim** against **you** or a **covered party** under this policy, the dispute will be resolved exclusively through arbitration, not through litigation. PE Partners may also institute arbitration proceedings at any time. Arbitration must be instituted by **you** or a **covered party** within ninety (90) days of any dispute with PE Partners.

If a demand for arbitration is made, each party will select an arbitrator within thirty (30) days. The two arbitrators will select a competent and disinterested third arbitrator within thirty (30) days. An arbitrator may be an employee of an insured of **PE Partners** or any other person, provided the other person is not an employee of a governmental entity that is not an insured of **PE Partners**. Only the arbitrator appointed by **you** may be an employee of a governmental entity located in the same county in which **you** are located. Pre-arbitration discovery is limited to 20 interrogatories, including subparts.

PE Partners will pay the expense of **our** arbitrator, and **you** will pay the expense of **your** arbitrator. **PE Partners** and **you** will bear equally the other expenses of the arbitration, including expenses of the third arbitrator. Unless both parties agree otherwise, arbitration will take place in Nashville, Tennessee. A decision agreed to in writing by any two of the arbitrators will be binding.

No parties other than **covered parties** may participate in dispute resolutions without the express written approval of **PE Partners**. Failure to institute arbitration and select arbitrators in the prescribed time frames above will constitute a waiver of any or all **claims** or other disputes regarding coverage issues by **you** or a **covered party**.

14. SEPARATION OF INSUREDS

Except with respect to the limits of coverage and any rights or duties specifically assigned to the **governmental entity**, this policy applies:

- a. As if each **governmental entity** were the only **governmental entity**; and
- b. Separately to **you** and each **employee** against whom **claim** is made or **suit** is brought.

Notwithstanding the above, suits brought by any covered party or parties against any other covered party or parties for non-monetary or injunctive purposes are not covered.

15. CLAIM AND OCCURRENCE INFORMATION

We compile **claim** and **occurrence** information for **our** own business purposes and exercise reasonable care in doing so. In providing this information to **you**, **we** make no representations or

warranties to **you**, insurers, or others to whom this information is furnished by or on behalf of **you** or any **employee**. Cancellation or non-renewal will be effective even if **we** inadvertently provide inaccurate information. Amounts reserved are based on **our** judgment. They are subject to change and should not be regarded as ultimate settlement values.

16. CANCELLATION

- a. **You** may cancel this policy. **You** must mail or deliver not fewer than thirty (30) days advance written notice to **PE Partners** stating when the cancellation is to take effect.
- b. **PE Partners** may cancel this policy. **PE Partners** must mail or deliver to **you** not fewer than thirty (30) days advance written notice stating when the cancellation is to take effect. Mailing that notice to **you** at **your** mailing address shown in Item 1. Insured, of the Declarations will be sufficient to prove notice. However, **PE Partners** may cancel with twenty (20) days written notice for nonpayment of premium.
- c. The policy period will end on the day and hour stated in the cancellation notice.
- d. If this policy is canceled, **we** will send **you** any premium refund due. If **we** cancel, the refund will be pro rata. If **you** cancel, the refund may be less than pro rata, computed in accordance with rules of the Board of Directors of **PE Partners**. The cancellation will be effective even if **we** have not made or offered a refund.

17. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit **your** books and records as they relate to this policy at any time during the **coverage period** and up to three (3) years afterward.

18. INSPECTION

PE Partners may inspect **your** workplaces at any time. **PE Partners'** inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. **PE Partners** may give **you** reports on **our** findings. **PE Partners** may also recommend changes. These changes may aid in the reduction of losses, but **PE Partners** does not undertake to perform the duty of any person to provide for the health or safety of **your** employees or the public. **PE Partners** does not warrant that **your** workplaces are safe or healthful or that they comply with laws, regulations, codes, or standards.

19. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS AGREEMENT

Your rights and duties under this policy may not be transferred without written consent of **PE Partners**.

20. DEDUCTIBLE

We may pay any part or all of any deductible amount listed in Item 6. Deductibles, of the Declarations and endorsements to effect settlement of any **claim** or **suit**, and, upon notification of the action taken, **you** must promptly reimburse **us** for the part of the deductible amount **we** paid. The deductible amount applies to the **loss** portion of the **claim** and to the SECTION VI - SUPPLEMENTARY PAYMENTS. Any deductible will apply on a per **occurrence** basis, regardless of the number of **claims** arising out of the **occurrence** or the number of **municipalities** or **covered parties** insured by **PE Partners** that are involved.

21. NOTICE OF PRIOR CLAIMS AND OCCURRENCES

In consideration of the retroactive coverage being afforded under this policy, it is a condition precedent to **your** rights and **your** employees' rights that **you** were not aware of an **occurrence** at the inception date of the **coverage period**. **You** are deemed to have been aware of an **occurrence** if any **employee** of the risk management department/office or legal department/office or any elected

or appointed officer was aware of any event, exposure to condition, **bodily injury, property damage, personal injury**, or errors or omissions liability referred to in Coverages A. General Liability, B. Personal Injury Liability, or C. Errors or Omissions Liability irrespective of whether or not **you** or an **employee** was aware that the **occurrence** was likely to involve this policy.

22. RISK MANAGEMENT STANDARDS

PE Partners may establish risk management standards for **you**. These standards are designed to prevent or to decrease conditions, acts, or omissions with the potential for causing **losses**. These standards may be mandatory or advisory. These standards may vary depending on **your** size and functions. **PE Partners** may cancel this policy or increase its cost if **you** fail to comply with these risk management standards.

23. EXTENDED REPORTING PERIOD

- a. **PE Partners** will provide one or more extended reporting periods, as described below if:
 - (1) Coverages A. General Liability, B. Personal Injury Liability, or C. Errors or Omissions Liability, is canceled or not renewed; or
 - (2) **PE Partners** renews or replaces Coverages A. General Liability, B. Personal Injury Liability, or C. Errors or Omissions Liability with coverage that:
 - (a) Has a retroactive date later than the date shown in Item 7 of the Declarations; or
 - (b) Does not apply to **bodily injury, property damage, personal injury**, or error or omission on a claims-made basis.

- b. A Basic Extended Reporting Period of sixty (60) days from the end of the **coverage period** is automatically provided without additional premium charge;
- c. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra premium charge.

The Supplemental Extended Reporting Period starts sixty (60) days after the end of the **coverage period**.

You must give **us** a written request for the endorsement within sixty (60) days after the end of the **coverage period**. The Supplemental Extended Reporting Period will not go into effect unless **you** pay the additional premium promptly when due. The additional premium for the Supplemental Extended Reporting Period will be calculated based on the expiring premium for Coverages A. General Liability, B. Personal Injury Liability, or C. Errors or Omissions Liability;

- d. The Extended Reporting Periods do not extend the **coverage period** or change the scope of the coverage provided. They apply only to **claims** under Coverages A. General Liability, B. Personal Injury Liability, or C. Errors or Omissions Liability that occur before the end of the **coverage period**, but not before the retroactive date shown in Item 7. Retroactive Date, of the Declarations. **Claims** for injuries or **damages** that are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the **coverage period**. Once in effect, Extended Reporting Periods may not be canceled; and
- e. Extended Reporting Periods do not reinstate or increase the limits of coverage applicable to any **claim** to which this coverage applies.



Michael G. Fann, President