



INSURANCE PROPOSAL

2023-2024 Policy Term

MANGUM CITY HOSPITAL AUTHORITY

Presented March 10, 2023

Presented by: Shelby Faust & Phillip Smith

SERVICE TEAM

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PROPERTY

COMPANY
Philadelphia

POLICY NUMBER
Quote # 16180281

POLICY TERM
5/1/2023 – 5/1/2024

Location 1/Building 1: 1 Wickersham Street, Mangum, OK
 Location 1/Building 2: 1 Wickersham Street, Mangum, OK
 Location 2/Building 1: 118 S. Louis Tittle Avenue, Mangum, OK

COVERAGES

LOCATION	SUBJECT	AMOUNT	VALUATION	CAUSE OF LOSS	DEDUCTIBLE
1	Blanket Building	\$64,400	R	Special	Wind & Hail 2% AOP \$10,000
1 & 2	Blanket Business Personal Property/Contents	\$5,625,000	R	Special	Wind & Hail 2% AOP \$10,000
1 & 2	Business Income & Extra Expense	9,171,771			72 Hour
1 & 2	Building & BPP Contents	\$1,000,000		Flood	\$50,000
1 & 2	Building & BPP Contents	\$2,000,000		Earthquake	\$50,000
1 & 2	Boiler & Machinery Property Damage	\$5,689,400			\$5,000
1 & 2	Boiler & Machinery Business Income	\$9,171,771			72 Hours

Expiring Premium	\$23,567
Renewal Premium	\$25,945 (Includes Terrorism)

MARKETING EFFORTS:

Zurich – Declined/Size; Cannot compete with incumbent
 Travelers – Declined/No Hospitals
 RT Specialty – Cannot compete with incumbent
 Liberty Mutual/ Cannot compete with incumbent
 Socius – No markets for contents/heavy BI only
 Chubb/No monoline property
 Affiliated FM – Declined/ Size for hospital eligibility
 Hartford – Declined/Size for hospital eligibility

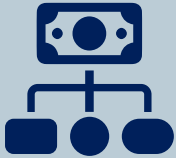
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- Phone – 877.438.7459, option 1
- Mail – P.O. Box 70251, Philadelphia, PA 19176-0251



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- Live Chat - PHLY.com
- Phone - 877.438.7459
- Email - service@phly.com
- Hours: Monday - Friday 8:30 a.m. - 8:00 p.m. ET



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Risk Management Services

PHLY RMS RESOURCES

Welcome to Philadelphia Insurance Companies (PHLY)! As a PHLY customer, your organization now has access to tools and services that can assist in your risk management efforts. Our Risk Management Services (RMS) Consultants can provide in-person assistance, from leading employee safety meetings to providing valuable guidance regarding safety best practices.

PHLY also provides various risk management tools and resources at little or no additional cost to your organization.

To access these resources, please take a moment to [register on our website](#). If you already have an account on PHLY.com, please [log in](#) to access Risk Management Services resources.

Risk Management Resources

We encourage you to explore the following risk management resources:

PHLYTRAC

PHLYTrac: PHLY's telematics tool providing an online dashboard that tracks location, speeding, hard braking, and other fleet statistics - PROVIDED AT NO COST TO ELIGIBLE PHLY CUSTOMERS!

[PHLYTRAC](#)

PHLYSENSE

The **PHLYSense** System is a property monitoring tool that uses a sensor to provide immediate alerts to hazardous property conditions, such as low temperature or the presence of moisture. Provided at no cost to our customers with property coverage.

[PHLYSENSE](#)

ABUSEPREVENTIONSYSTEMS

Abuse Prevention Resources: Online training and policy support to help improve the safety of child-serving operations (at no cost to our customers with Abuse coverage)

[Abuse Prevention System](#)

IntelliCorp

IntelliCorp: Provides a discounted background check package as well as discounted pricing for add-on services, such as Motor Vehicle Reports (MVRs).

[IntelliCorp](#)

SMARTERNOW! RMS WEB-BASED TRAINING

SmarterNow: PHLY's no-cost Learning Management System that provides online training, assignment, and reporting capabilities. Trainings include defensive driver, discrimination in the workplace, security awareness, and many more

[SMARTERNOW!](#)

WILSON ELSER

Wilson Elser Hotline: Provides two hours of legal consultation per occurrence. Provided at no cost for our Management and Professional and EPLI policyholders.

[Wilson Elser](#)

CONTACT

For questions about your organization's risk management needs and information on PHLY's Risk Management Services please contact PHLY RMS:
Phone: 1.800.873.4552 #4 (Mon-Fri 8:30 a.m. - 5:00 p.m. ET)

E-mail: phlyrms@phly.com

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610.617.7900 Fax 610.617.7940
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PROPOSAL FOR INSURANCE

Quotation Number: 16180281

Proposal Date: 03/06/2023

Named Insured and Mailing Address:

Mangum City Hospital Authority
dba Mangum Regional Medical Center
PO Box 280
Mangum, OK 73554-0280

Producer: 2852

INSURICA, Inc.
5100 N Classen Blvd Ste 300
Oklahoma City, OK 73118

Contact: Shelli Barrios

Phone: (405)523-2100

Fax: (405)556-2332

Insurer: Philadelphia Indemnity Insurance Company

Policy Period From: 05/01/2023

To: 05/01/2024

Proposal Valid Until: 05/01/2023

at 12:01 A.M. Standard Time at your mailing address shown above.

Product: Medical Facilities/Hospitals

Submission Type: Renewal Business

PHLY Representative: White, Cameron D.

PHLY Representative Phone: (913) 242-3136

Email: Cameron.White@phly.com

Underwriter: Barnaba, Demetri P.

Underwriter Phone: (610) 538-2685

Email: Demetri.Barnaba@phly.com

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO EXTEND INSURANCE AS STATED IN THIS PROPOSAL.

THIS PROPOSAL CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

UltimateCover Coverage Part	PREMIUM
	\$ 25,332.00

The Total Premium includes Federal Terrorism Risk Insurance Act Premium in the amount of:

TOTAL	\$ 25,332.00
	\$ 613.00

Bill Plan Options:*

- 25% Down and 9 Consecutive Monthly Installments - Combined minimum premium must be \$6,000
- 25% Down and 5 Consecutive Monthly Installments - Combined minimum premium must be \$3,333
- 25% Down and 3 Consecutive Monthly Installments - Combined minimum premium must be \$2,000
- 50% Down and 2 Consecutive Monthly Installments - Combined minimum premium must be \$2,000
- 30% Down and 3 Quarterly Installments - Combined minimum premium must be \$2,150
- Premiums under \$2,000 are Fixed Annual billing

*Bill plan options are only available for Direct Bill customers. All others require Fixed Annual billing

The premium shown is subject to the following terms and conditions:

A signed UM/UIM Selection/Rejection form is required upon binding. (If applicable.)

Any taxes, fees or surcharges included in the total premium shown on the proposal are not subject to installment billing.



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Named Insured: Mangum City Hospital Authority

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The premium shown is subject to the following terms and conditions:

A maximum per installment fee of \$5.00 may be included (some states may vary).



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The producer placing this policy may receive commission and additional underwriting profit share incentives. These incentives are based on the underwriting performance of this producer's book of business. Any questions about the nature of this compensation should be directed to the producer.

In order to complete the underwriting process, we require that you send us the additional information requested in the "conditions" section of this proposal. We are not required to bind coverage prior to our receipt, review and underwriting approval, of said additional information. However, if we do bind coverage, it shall be for a temporary period of not more than 30 days. Such temporary binding of coverage shall be void ab initio ("from the beginning") if we have not received, reviewed and approved in writing such materials within 15 days from the effective date of the temporary binder. This 30 day temporary conditional binder may be extended only in writing signed by the Insurer. Payment of premium shall not operate to extend the binding period or nullify the automatic voiding as described above.

This quotation is strictly conditioned upon no material change in the risk occurring between the date of this proposal and the inception date of the proposed policy (including any claim or notice of circumstances that which may reasonably expected to give rise to a claim under any policy of which the policy being proposed by this letter is a renewal or replacement). In the event of such change in risk, the Insurer may in its sole discretion, whether or not this quotation has been already accepted by the Insured, modify and/or withdraw this quotation.

Subject to the terms and conditions outlined above and prior to the quote expiration date, this quote may be bound by signing and dating below and by initialing, on the previous page, the option to be bound. This form will then act as the binder of coverage for 30 days from the date signed and may be distinguished by the Quotation number on page 1. This binder is only valid for 30 days.

No coverage is afforded or implied unless shown in this proposal.

This proposal does not constitute a binder of insurance.

This proposal is strictly limited to the terms and conditions herein. Any other coverage extensions, deletions or changes requested in the submission are hereby rejected.

Signature of Authorized Insurance Representative

Date

Policy Number: 16180281Named Insured: Mangum City Hospital Authority

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Terrorism Premium (Certified Acts) \$ <u>613.00</u>

DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE REJECTION OPTION

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT’S FEDERAL SHARE OF TERRORISM LOSSES IS 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Your attached proposal (or policy) includes a charge for terrorism. We will issue (or have issued) your policy with terrorism coverage unless you decline by placing an “X” in the box below.

NOTE 1: If “included” is shown on your proposal (or policy) for terrorism you WILL NOT have the option to reject the coverage.

NOTE 2: You will want to check with entities that have an interest in your organization as they may require that you maintain terrorism coverage (e.g. mortgagees).

EXCEPTION: If you have property coverage on your policy, the following Standard Fire Policy states do not permit an Insured to reject fire ensuing from terrorism: CA, CT, GA, HI, IA, IL, MA, ME, MO, NJ, NY, NC, OR, RI, VA, WA, WV, WI. Therefore, if you are domiciled in the above states and reject terrorism coverage, you will still be charged for fire ensuing from terrorism as separately designated on your proposal.

	I decline to purchase terrorism coverage. I understand that I will have no coverage for losses arising from “certified” acts of terrorism, EXCEPT as noted above.
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You, as the Insured, have 30 days after receipt of this notice to consider the selection/rejection of “terrorism” coverage. After this 30 day period, any request for selection or rejection of terrorism coverage WILL NOT be honored.

REQUIRED IN GA – LIMITATION ON PAYMENT OF TERRORISM LOSSES (applies to policies which cover terrorism losses insured under the federal program, including those which only cover fire losses)

The provisions of the Terrorism Risk Insurance Act, as amended, can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

INSURED'S SIGNATURE _____

DATE _____



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LOCATION SCHEDULE

Loc #	Bldg #	Address #1	Address #2	City	St	Zip
0001	0001	1 Wickersham St		Mangum	OK	73554-9117
0001	0002	1 Wickersham St		Mangum	OK	73554-9117
0002	0001	118 S Louis Tittle Ave		Mangum	OK	73554-4441



Named Insured: Mangum City Hospital Authority

FORM SCHEDULE

Form	Edition	Description
BJP-190-1	1298	Commercial Lines Policy Jacket
OK Fracking Notice	1215	OK Notice: Earthquakes From Oil And Gas Activities
PI-FEES-NOTICE 1	1119	Notice Late/Non-Sufficient Funds/Reinstatement Fee
PP2020	0220	Privacy Notice For Commercial Lines
CPD-PIIC-CW	0221	Common Policy Declarations
PI-LOC-SCH	0820	Location Schedule
PI-NI-SCH	0820	Named Insured Schedule
PI-BELL-1	1109	Bell Endorsement
PI-CME-1	1009	Crisis Management Enhancement Endorsement
IL0017	1198	Common Policy Conditions
IL0174	0702	Oklahoma Changes - Appraisal
IL0179	1002	Oklahoma Notice
IL0236	0907	Oklahoma Changes - Cancellation and Nonrenewal
PI-ACL-001 OK	1218	Absolute Cyber Liability And Electronic Exclusion
PI-TER-DN1	0121	Disclosure Notice Of Terrorism Ins Coverage Rejection
CP P 003	0706	Excl of Loss Due to Virus or Bacteria Advisory Notice
PI-ULTD-002	1198	Property Coverage Part Declarations
PI-ULTD-005	0513	Additional Coverage Summary Declarations
PI-ULTD-006	1198	UltimateCover Program Blanket Limits
CP0090	0788	Commercial Property Conditions
CP0140	0706	Exclusion of Loss Due to Virus or Bacteria
PI-SP-M-B	1005	Exclusion of Certain Earthquake Coverage
PI-SP-M-C	1005	Exclusion of Certain Flood Coverage
PI-ULT-007	1198	Property Coverage Form
PI-ULT-008	1198	Causes of Loss Form
PI-ULT-009	1198	Crime Coverage Form
PI-ULT-010	1198	Business Income with Extra Expense Coverage Form
ULT10COV	1198	Business Income with Extra Expense Coinsurance Sched
ULT10OPT	1198	Business Income with Extra Expense Optional Cov Sched
PI-ULT-018	0216	Windstorm Or Hail Percentage Deductible
PI-ULT-019	0906	Earthquake Endorsement
PI-ULT-021	1198	Flood Endorsement
PI-ULT-021A	0110	Flood Endorsement Location Schedule
PI-ULT-023	0701	Boiler and Machinery Endorsement
PI-ULT-056	0599	Oklahoma Changes - Replacement Cost Endorsement
PI-ULT-072	0321	Limitations On Fungus,Wet Rot, Dry Rot And Bacteria
PI-ULT-83	0401	Loss of Income due to Workplace Violence
PI-ULT-085	0516	Cap On Losses From Certified Acts Of Terrorism
PI-ULT-088	0419	Changes - Electronic Data



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FORM SCHEDULE

Form	Edition	Description
PI-ULT-089	0605	Multiple Deductible Form
PI-ULT-104	0908	Elite Property Enhancement: Nursing Homes/Medical Fac
PI-ULT-142	0814	Collapse - Exclusion And Additional Coverage Re-Stated
PI-ULT-148	1016	Boiler And Machinery - Separate Deductible Endorsement
PI-ULT-238	0119	Continuous Or Repeated Water Damage Exclusion



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ULTIMATECOVER

Total: \$ 25,332.00

BLANKET LIMITS

Blanket No	Limit
1	\$ 64,400
2	\$ 5,625,000
3	\$ 9,171,771

LOCATION COVERAGES

Loc/Bldg	Coverage	Blanket #	Limit	Premium
1-1	BUSINESS PERSONAL PROPERTY Deductible: 10000, Coinsurance: 90%, Wind/Hail Ded: 2% W/H, Agreed Value: NO	2	\$ 5,000,000	\$ 8,350.00
1-1	BUS INCOME Deductible (hours): 72, Coinsurance: 90%, Agreed Value: , Agreed Value Limit: NONE, Extra Expense: YES, Extended Period: NONE, Monthly Limitation: NONE, Ordinary Payroll: FULL	3	\$ 7,818,272	\$ 9,304.00
1-1	TERRORISM		\$	530.00
1-2	BUILDING Deductible: 10000, Coinsurance: 90%, Wind/Hail Ded: 2% W/H, Agreed Value: NO	1	\$ 64,400	\$ 108.00
1-2	BUSINESS PERSONAL PROPERTY Deductible: 10000, Coinsurance: 90%, Wind/Hail Ded: 2% W/H, Agreed Value: NO	2	\$ 550,000	\$ 919.00
1-2	BUS INCOME Deductible (hours): 72, Coinsurance: 90%, Agreed Value: , Agreed Value Limit: NONE, Extra Expense: YES, Extended Period: NONE, Monthly Limitation: NONE, Ordinary Payroll: FULL	3	\$ 402,797	\$ 479.00
1-2	TERRORISM		\$	45.00
2-1	BUSINESS PERSONAL PROPERTY Deductible: 10000, Coinsurance: 90%, Wind/Hail Ded: 2% W/H, Agreed Value: NO	2	\$ 75,000	\$ 125.00
2-1	BUS INCOME Deductible (hours): 72, Coinsurance: 90%, Agreed Value: , Agreed Value Limit: NONE, Extra Expense: YES, Extended Period: NONE, Monthly Limitation: NONE, Ordinary Payroll: FULL	3	\$ 950,702	\$ 1,131.00
2-1	TERRORISM		\$	38.00

PROP ELITE - NURSE HOMES/MED FAC/HOSP



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ULTIMATECOVER

Coverage	Limit/Ded	Premium
FLOOD		\$ 2,081.00
ANY ONE PREMISES LIMIT	1,000,000	
ALL PREMISES IN ANY SINGLE POLICY YEAR LIMIT	1,000,000	
DEDUCTIBLE	50,000	
Coverage Applies at Locations: 1-1, 1-2, 2-1		
EARTHQUAKE		\$ 892.00
ANY ONE COVERED PREMISES LIMIT	2,000,000	
ALL COVERED PREMISES IN ANY SINGLE POLICY YEAR LIMIT	2,000,000	
DOLLAR DEDUCTIBLE	50,000	
(See Deductible Exceptions Schedule, If applicable)		
Coverage Applies at Locations: 1-1, 1-2, 2-1		
BOILER MACHINERY/EQUIPMENT BREAKDOWN (SEE FORM)		\$ 1,330.00



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ULTIMATECOVER

CRIME

For the Additional Coverages and Coverage Extensions shown below, if a Superceding Limit of Insurance is shown, that Superceding Limit is the applicable Limit of Insurance

Coverage	Limit of Ins	Deductible	Superceding Limit	Superceding Deductible	Premium
Money & Securities (inside)	\$ 5,000	\$ 500			
Money & Securities (outside)	\$ 5,000	\$ 500			
Money Order/Counterfeit Currency	\$ 5,000	\$ 500			
Kidnap, Ransom, Extortion	\$ 25,000	None			
Forgery or Alteration					
Computer Fraud					
Employee Dishonesty					

ADDITIONAL POLICY COVERAGES – subject to the Limit of Insurance shown below:

Coverage	Limit of Insurance
Brands and Labels	Included in Policy Limits
Claims Expense	\$ 10,000
Contract Penalty Clause	\$ 25,000
Computer Property	Included in Personal Property Limits
Excavation & Landscaping	\$ 25,000
Fine Arts	\$ 25,000
Fines for False Alarms	\$ 5,000
Fire Department Service Charge	\$ 50,000
Fire, Sprinkler or Burglar Alarm Upgrade	\$ 50,000
Fish in Aquariums	\$ 1,000
Glass	Included in Policy Limits
Guard Dogs	\$ 1,000
Lost Key Replacement	\$ 2,500
Newly Acquired Property	\$ 1,000,000 Blanket Limit Real & Personal
New Construction	\$ 500,000
Ordinance or Law – Undamaged Portion	Included in Building Limit
Ordinance or Law – Demolition	\$ 250,000
Ordinance or Law – Incr. Cost or Construction	\$ 250,000
Personal Effects – Portable Electronic Equip away from premises	\$ 1,000
Personal Effects – Premises	\$ 25,000
Personal Effects – Spouses	\$ 500
Personal Effects – Worldwide	\$ 1,000
Pollutant Cleanup & Removal	\$ 25,000
Precious Metals	\$ 2,500
Signs	Included in Personal Property Limits
Theft Damage to Building	Included in Personal Property Limits
Utility Service – Direct Damage	\$ 10,000
Voluntary Parting	\$ 10,000

For the Additional Coverages and Coverage Extensions shown below, if a Superceding Limit of Insurance is shown, that Superceding Limit is the applicable Limit of Insurance

Coverage	Limit of Insurance	Superceding Limit	Premium
Accounts Receivable	\$ 250,000		
Arson Reward	\$ 25,000		
Computer Virus	\$ 2,500		
Consequential Damage	\$ 25,000		
Debris Removal	\$ 250,000		
Pers Prop at Unspecified Premises	\$ 100,000		
Pers Prop in Transit	\$ 50,000		
Valuable Papers	\$ 250,000		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BOILER AND MACHINERY ENDORSEMENT

This endorsement modifies insurance provided under the following:

- Property Coverage Form
- Causes of Loss Form
- Business Income and Extra Expense Coverage Form
- Business Income Coverage Form
- Extra Expenses Coverage Form

SCHEDULE

Coverage Description	Limit of Insurance
Property Damage	\$ 5,689,400
Property Damage and Business Income/Extra Expense	\$
Business Income and Extra Expense	\$ 9,171,771
Business Income	\$
Extra Expense	\$

Sublimits of Insurance applicable to each covered location. These sublimits are part of and not in addition to the Limits of Insurance shown above.

Coverage	Sublimit of Insurance
Ammonia Contamination	\$ 100,000
Water Damage	\$ 100,000
Hazardous Substances	\$ 100,000
Spoilage	\$ 100,000
Expediting Expense	\$ 250,000
Newly Acquired Location Coverage	\$ 1,000,000
Off Premises Service Interruption	
Business Income	\$
Business Income and Extra Expense	\$ 9,171,771
Extra Expense	\$
Spoilage	\$ 25,000
Ordinance or Law	\$ 300,000

Deductibles

Coverage	Deductible
Property Damage	\$ 5,000
Business Income and Extra Expense	72 hours
Business Income	hours
Extra Expense	\$
Spoilage	COMBINED W/PD
Off Premises Service Interruption	72 hours
Ammonia Contamination	COMBINED W/PD
Other (DIAGNOSTIC EQUIP)	\$ 2XPD DED
Premium	\$ 1,330

A. Coverage

For the purposes of this endorsement, the following exclusions and limitations, or parts thereof, are deleted as respects to the Boilers, Pressure Vessels and Machinery and Equipment at the described premises:

- | | |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Exclusion B.2.a. | Artificially generated electric current, including electric arcing, that disturbs electrical devices, wiring or wires. |
| Exclusion B.2.d.(2) | The word latent is deleted. |
| Exclusion B.2.d.(6) | Mechanical breakdown, including rupture or bursting caused by centrifugal force. |
| Exclusion B.2.e. | Explosion of steam boilers, steam pipes, steam engines, steam turbines owned or leased by your, or operated under your control. |
| Limitation C.1.a. | Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from a condition or event inside such equipment. |
| Limitation C.1.b. | Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment. |

B. Exclusions

As respects the Boiler and Machinery coverage provided by this endorsement, coverage shall not include "**loss**" caused by or resulting from:

1. Damage while any boiler, fired or unfired vessel or electrical steam generator is undergoing a hydrostatic or gas pressure test;
2. Damage while any type of electrical or electronic equipment is undergoing an insulation breakdown test;
3. Damage to or destruction of media, however caused, and regardless of the function of that media;
- 4/ Depletion, deterioration, corrosion, erosion or wear or tear, and other gradually developing conditions. But if "**loss**" or damage otherwise covered by this endorsement ensues, we will pay for such ensuing "**loss**";

C. Limits

The most we will pay under this endorsement for direct "**loss**" to Covered Property is the Property Damage Limit of Insurance shown in the schedule of this endorsement. If Business Income Coverage, Extra Expense Coverage, or Business Income and Extra Expense Coverage is included in the policy to which this endorsement is a part, the most we will pay for those extensions of coverage under this endorsement are the respective Limits of Insurance shown in the schedule of this endorsement.

All losses covered by this endorsement occurring at any one location which manifests themselves at the same time and are the result of the same cause will be considered a single loss. If an initial loss covered by this endorsement causes other losses covered by this endorsement, all will be considered a single loss.

D. Extra Expediting

This endorsement is extended to cover the reasonable extra cost of temporary repair and of expediting repair or replacement of Covered Property as a direct result of loss otherwise covered by this endorsement. The most we will pay under this extension is the amount shown as the Expediting Expense Sublimit in the schedule of this endorsement.

E. Ammonia Contamination

If Covered Property is contaminated by ammonia as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Ammonia Contamination Sublimit in the schedule of this endorsement.

F. Water Damage

If Covered Property is damaged by water as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Water Damage Sublimit in the schedule of this endorsement.

G. Hazardous Substances

If covered Property is contaminated by a hazardous substance as the direct result of loss otherwise covered by this endorsement, the most we will pay for expenses to clean up or dispose of such property is the amount shown as the Hazardous Substances Sublimit in the schedule of this endorsement.

H. Spoilage

If Covered Property spoils from lack of power, light, heat, steam, or refrigeration as a direct result of the Breakdown of the insured's Boilers, Pressure Vessels, Machinery or Equipment, the most we will pay for this kind of damage, including salvage expenses, is the amount shown as the Spoilage Sublimit in the schedule of this endorsement.

I. Newly Acquired Locations

The coverages of this endorsement are extended to the interest of the named insured in Boilers, Pressure Vessels, Machinery and Equipment, not otherwise insured, at newly constructed, acquired, or leased locations within the policy coverage territory and which have been previously undeclared. The most we will pay under this extension for loss or damage at any one location is the amount shown as the Newly Acquired Location Coverage Sublimit in the schedule of this endorsement.

J. Off Premises Service Interruption

If Off Premises Service Interruption Coverage is included in the policy of which this endorsement is a part, the coverage extensions of this endorsement for Business Income and/or Extra Expense and/or Spoilage are further extended to include loss caused by Boilers, Pressure Vessels, Machinery and Equipment, whether or not they are located on Insured's premises, owned by a public utility or other company and used to directly supply electrical power, communications services, heating, gas, water, steam or air conditions to the described premises.

K. Deductibles

There shall be liability under this endorsement only when the amount of loss exceeds the Boiler and Machinery Deductibles shown in the schedule of this endorsement. If no Boiler and Machinery Deductibles are shown, coverage under this endorsement is subject to the policy deductible.

If an hour deductible is shown in the schedule, we will only pay for loss or damage you sustain after the first specified number of hours immediately following the physical loss to the Covered Property.

If a multiplier is shown in the schedule of this endorsement, the deductible is determined by multiplying the One Hundred Percent Average Daily Value (100% ADV) times the multiplier. The 100% ADV will be obtained by dividing the total net profits, fixed charges and expenses for the entire location that would have been earned had no physical loss occurred during the period of interruption of business by the number of working days in that period. No reduction shall be made for net profits, fixed charges and expenses not being earned, or in the number of working days, because of the physical loss or damage or any other scheduled or unscheduled shutdowns during the period of interruptions.

If a percent of loss deductible is indicated in the schedule of this endorsement, we will not be liable for the indicated percentage of loss or damage insured under this endorsement. If the dollar amount of such percentage is less than the indicated minimum deductibles, the minimum deductible will be the applicable deductible.

L. Suspension

If any Boiler, Pressure Vessel, Machinery or Equipment covered by this endorsement is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this endorsement for that equipment by written notice mailed or delivered to:

1. Your last known address; or
2. The address where the affected equipment is located.

Once suspended in this way, your insurance can be reinstated only by endorsement.

If we suspend your insurance, you will get a pro rata refund for the affected equipment. But the suspension will be effective even if we have not yet made or offered a refund.

M. Mechanical or Electrical Breakdown

With respect to coverage provided by this endorsement, Mechanical or Electrical Breakdown means a sudden and accidental breakdown of covered Boilers, Pressure Vessels, Machinery and Equipment. At the time breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the affected equipment or part of the affected equipment.

Mechanical or Electrical Breakdown does not mean or include any of the following:

1. Breakdown of any structure or foundation.
2. Breakdown of any boiler setting, insulating or refractory material.
3. Breakdown of a power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, well casing, penstock or draft tube.
4. Breakdown of any elevator, crane, hoist, escalator or conveyor, but not including any pressure vessel or electrical equipment used with such a machine.
5. Breakdown of Boilers, Pressure Vessels, Machinery or Equipment manufactured or held for sale by you.
6. Breakdown of catalyst.

7. Breakdown of any oven, stove, furnace, incinerator, pot or kiln.
8. Breakdown of any buried vessel or piping.
9. Breakdown of a felt, wire, screen, die, mold, form, pattern, extrusion plate, swing hammer, grinding disc, cutting blade, chain, cable, belt, rope, clutch plate, brake pad, nonmetallic part or any part or tool subject to frequent, periodic replacement.
10. Breakdown, of any nonmetallic vessel, unless it is constructed and used in accordance with the American Society of Engineers (A.S.M.E.) code.
11. Breakdown of sewer piping, piping forming a part of a fire protection system or water piping other than:
 - a. Feed water piping between any boiler and its feed pump or injector; or
 - b. Boiler condensate return piping; or
 - c. Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes.
12. Breakdown of a part of a Boiler, Pressure Vessel or Electric Steam Generator that:
 - a. Does not contain steam or water; or
 - b. Is not under pressure of contents of the vessel; or
 - c. Is not under internal vacuum.
13. The functioning of any safety or protective devices.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ELITE PROPERTY ENHANCEMENT:
NURSING HOMES / MEDICAL FACILITIES / HOSPITALS**

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM
CAUSES OF LOSS FORM
CRIME COVERAGE FORM**

I. Schedule of Coverages and Limits

The following is a summary of increased Limits of Insurance, additional coverages and/or coverage extensions provided by this endorsement. This endorsement is subject to the provisions of your policy.

Coverage Applicable	Limit of Insurance	Page #
Covered Property		
Fine Arts	\$50,000	2
Additional Coverages		
Alternative Key Systems	\$100,000	2
Automated External Defibrillators (AEDs)	\$5,000	3
Earthquake Sprinkler Leakage	\$10,000	3
Lease Cancellation Moving Expenses	\$2,500	3
Pollutant Clean up and Removal	\$100,000	3
Transition to Replacement Premises	Included	3
Coverage Extensions		
Business Income and Extra Expense	\$100,000	4
Civil Authority	Included in BI/EE limit	4
Contingent Business Property	Included in BI/EE limit	4
Ingress or Egress	\$5,000	4
Newly Acquired Premises	\$100,000	5
Emergency Vacating Expense	\$15,000	6
Expediting Expense	\$25,000	6
Garages	\$5,000	6
Money Orders and Counterfeit Paper Currency	\$25,000	7
Non-Owned Detached Trailers	\$5,000	7
Ordinance or Law – Demolition Cost	\$300,000	7
Ordinance or Law – Increased Cost of Construction	\$300,000	7
Personal Property of Residents:		
Residents' Property Personal Effects		
Any One Resident	\$5,000	7
Any One Occurrence	\$25,000	7
Policy Aggregate	\$100,000	7
Residents' Money and Securities		
Any One Resident	\$500	8
Any One Occurrence	\$5,000	8
Policy Aggregate	\$50,000	8
Reward Reimbursement	\$5,000	8
Spoilage	\$50,000	8
Limitations		
Furs	\$5,000	9
Precious Metals	\$5,000	9

II. Conditions

A. Applicability of Coverage

Coverage provided in forms attached to your policy is amended by this endorsement where applicable.

B. Limits of Insurance

1. When coverage is provided by this form and another coverage form attached to this policy, the greater Limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.
2. Limits of Insurance identified in this endorsement are not excess of, or in addition to, Limits of Insurance provided by the **PROPERTY COVERAGE FORM**, the **CAUSES OF LOSS FORM** or the **CRIME COVERAGE FORM** unless otherwise stated.
3. Coverage is considered to be on an occurrence basis (not on a per location basis) unless otherwise stated.

C. Applicability of Exclusions

Specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

D. Requirement for Covered Causes of Loss

Except where a specific Covered Cause of Loss is identified in this coverage enhancement, coverage for the “**losses**” described herein are applicable only for Covered Causes of Loss as designated in the **CAUSES OF LOSS FORM** attached to the policy.

III. Covered Property

A. Section A. Coverage, 1. Covered Property, a. Your Business Personal Property, (d) “Fine Arts” in the **PROPERTY COVERAGE FORM** is amended as follows:

If the total value of “**Fine Arts**” is over \$50,000, they must be listed in a schedule on file with us;

B. Section A. Coverage, 2. Property Not Covered, o. “Fine Arts” in the **PROPERTY COVERAGE FORM** is amended as follows:

“**Fine Arts,**” if the total value of such property is greater than \$50,000, unless such property is listed in a schedule on file with us;

IV. Additional Coverages

The following are added to or amend the **PROPERTY COVERAGE FORM** under Section **A. Coverage, 4. Additional Coverages:**

A. Alternative Key Systems

We will pay for “**loss**” or damage to, or cost to reprogram, “**alternative key systems,**” including card programmers, card-readers, computers, related alarms, transceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys work. The “**loss**” must be caused by a Covered Cause of Loss and take place at a covered location.

The most we will pay for “**loss**” or damage under this coverage is \$100,000.

B. Automated External Defibrillators

Automated external defibrillators (AEDs) are considered covered property.

The most we will pay for “**loss**” or damage under this coverage is limited to \$5,000 per occurrence, which is in addition to the Business Personal Property Limit stated in the Declarations.

C. Earthquake Sprinkler Leakage

We will pay up to \$10,000 for damages resulting from sprinkler leakage which is caused by earth movement.

D. Lease Cancellation Moving Expenses

We will reimburse you for any moving expenses necessitated by your need to relocate due to the cancellation of the lease at your premises listed in the Declarations. The lease cancellation must occur as a result of a Covered Cause of Loss.

The limit for this coverage will be \$2,500 for all insureds combined. No deductible applies to this coverage.

E. Pollutant Clean Up and Removal

Section **A. Coverage, 4. Additional Coverages, f. Pollutant Clean Up and Removal** is amended as follows:

The Limit of Insurance for this additional coverage for each described premises is increased to \$100,000 for the sum of all covered expenses arising out of a Covered Cause of Loss occurring during each separate 12 month period of this policy.

F. Transition to Replacement Premises

If Covered Property is moved to a new premises from a scheduled premises that is being vacated, the Limit of Insurance applicable to that vacated premises will apply proportionately to both premises as the property is moved. This coverage ends when any one of the following first occurs:

1. 90 days after the move begins;
2. The move is completed; or
3. This policy expires.

V. Coverage Extensions

With the exception of Item **E. Money Orders and Counterfeit Paper Currency** below, the following are added to or amend the **PROPERTY COVERAGE FORM** under Section **A. Coverage, 5. Coverage Extensions**:

A. Business Income and Extra Expense

1. Coverage is extended to include the actual “**loss**” of Business Income you sustain, and

necessary Extra Expense you incur when your covered **“building”** or Business Personal Property listed in the Declarations is damaged by a Covered Cause of Loss.

We pay any Extra Expense you incur:

- a. To continue your normal **“operations”** at the described premises; or
- b. To continue your normal **“operations”** at replacement premises or temporary locations; including:
 - (1) Relocation expenses; and
 - (2) The costs to equip or operate the replacement premises or temporary locations; or
- c. To minimize the suspension of your normal **“operations”** if you cannot continue them.

2. Civil Authority

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur that is caused by action of civil authority that prohibits access to the described premises due to direct physical **“loss”** of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to 3 consecutive weeks after coverage begins. The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 3 consecutive weeks after the time of that action; or
- b. When your Business Income coverage ends; whichever comes first.

3. Contingent Business Property

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur when Contingent Business Property is damaged by a Covered Cause of Loss. We will reduce the amount of your Business Income **“loss,”** other than Extra Expense, to the extent you can resume **“operations,”** in whole or in part, by using any other available:

- a. Source of materials; or
- b. Outlet for your products.

The most we will pay under these sections **A. 1., 2. and 3.** combined is \$100,000 for any one occurrence.

4. Ingress or Egress Coverage

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur due to the necessary suspension of your **“operations”** in the event that ingress or egress is prevented at the described premises as a result of a Covered Cause of Loss. The **“loss”** or damage by a Covered Cause of Loss preventing ingress or egress must occur within one mile of the described premises. This coverage will apply for up to 30 consecutive days from the date when the ingress or egress is denied.

The most we will pay for this coverage is \$5,000 for any one occurrence.

This additional coverage does not apply in the event that access is denied by action of civil

authority. Such coverage is provided subject to Item 2. above.

5. Newly Acquired Premises

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur when property at a newly acquired premises is damaged by a Covered Cause of Loss.

Coverage under this extension will end when any of the following first occurs:

- a. This policy expires;
- b. 90 days expire after you acquire the property that would qualify as covered property; or
- c. You report values to us.

We will charge you additional premium for values reported from the date you acquire the property that would qualify as covered property.

The most we will pay under this extension is \$100,000 in any one occurrence at each newly acquired premises. This limit is in addition to the Business Income and Extra Expense limit provided above.

6. The following, when used in this section, are defined as follows:

- a. Business Income means net income (net profit or loss before income taxes) that would have been earned or incurred during the period of restoration and continuing normal operating expenses including payroll.
- b. Extra Expense means necessary expenses you incur during the period of restoration that you would not have incurred if there had been no direct physical **“loss”** or damage to property caused by or resulting from a Covered Cause of Loss.
- c. Contingent Business Property means property operated by others on whom you depend to:
 - (1) Deliver materials or services to you or to others for your account (Contributing Locations);
 - (2) Accept your products or services (Recipient Locations);
 - (3) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - (4) Attract customers to your business (Leader Locations).
- d. Period of restoration means the period of time that:
 - (1) Begins with the date of physical **“loss”** or damage caused by or resulting from any Covered Cause of Loss; and
 - (2) Ends on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

Period of restoration does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **“pollutants.”**

The expiration date of this policy will not cut short the period of restoration.

B. Emergency Vacating Expense

- 1. The coverage provided by this policy is extended to apply to the reasonable expenses that you incur in the **“emergency”** vacating of the premises of your facility described in the Declarations, provided that vacating is necessary due to an **“emergency”** situation resulting from a Covered Cause of Loss.
- 2. We will not pay for any expenses under this extension arising out of:
 - a. A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority;
 - b. A planned vacating drill; or
 - c. The vacating of one or more individuals that is solely due to their individual medical condition.
- 3. The most we will pay in any one occurrence for the evacuation of residents, regardless of the number of residents evacuated is \$15,000. The deductible for emergency vacating expenses is \$1,000 per occurrence.

C. Expediting Expense

The coverage provided by this policy is extended to apply to your reasonable and necessary expense of temporary repairs to your business property or the extra costs of expediting the permanent repair or replacement of your property, whichever is less. These expenses include overtime wages and extra costs for rapid means of transportation. However, we will not pay for the temporary rental of property or the temporary replacement of damaged property.

The most we will pay under this extension is \$25,000.

D. Garages

“Building” coverage is extended to apply to any garage or storage shed located at the premises described in the Declarations.

The most we will pay under this extension is \$5,000.

E. Money Orders and Counterfeit Paper Currency

The Basic Limit of Insurance that is provided for Money Orders and Counterfeit Paper Currency under the **CRIME COVERAGE FORM** is increased to \$25,000.

F. Non-Owned Detached Trailers

You may extend the insurance that applies to your Business Personal Property to apply to “**loss**” or damage to trailers that you do not own, provided that:

1. The trailer is used in your business;
2. The trailer is in your care, custody or control at the premises described in the Declarations; and
3. You have a contractual responsibility to pay for “**loss**” or damage to the trailer.

We will not pay for any “**loss**” or damage that occurs:

1. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
2. During hitching or unhitching, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

The most we will pay under this extension is \$5,000.

G. Ordinance or Law

Section A. Coverage, 5. Coverage Extensions, j. Ordinance or Law is amended as follows:

1. The Limit of Insurance for demolition costs is increased to \$300,000 in any one occurrence.
2. The Limit of Insurance for increased cost of construction is increased to \$300,000 in any one occurrence.

H. Personal Property of Residents

1. Residents' Property – Personal Effects

- a. The Business Personal Property coverage is extended to apply to the personal effects of the residents of your facility while at a premises described in the Declarations.
- b. (1) The most we will pay for “**loss**” or damage to the property of any one resident is \$5,000.
 - (2) The most we will pay for “**loss**” or damage in any one occurrence, regardless of the number of residents who had property lost or damaged is \$25,000 subject to the any one resident limit shown in **1.b.(1)** above.
 - (3) The most we will pay for the sum of all such “**loss**” or damage during each separate policy period is \$100,000, regardless of the number of occurrences.
- c. We will not pay for a “**loss**” under this coverage until the amount of “**loss**” exceeds a \$1,000 deductible. We will then pay the amount of “**loss**” in excess of the deductible up to the applicable Limit of Insurance.
- d. Residents' Personal Effects do not include “**money**” or “**securities.**” Such coverage is provided subject to Item **2.** below.

2. Residents' Money and Securities

- a. We cover "**money**" and "**securities**" belonging to the residents of your facility while at a covered location. We cover such property against "**loss**" from a Covered Cause of Loss applying to your business personal property at the location. We do not cover any "**loss**" caused by or resulting from forgery, alterations, the giving or surrendering of checks or "**money**" in exchange or purchase, or accounting or arithmetic errors and omissions.
- b. (1) The most we will pay for "**loss**" or damage to the "**money**" and "**securities**" of any one resident is \$500.
 - (2) The most we will pay for "**loss**" or damage in any one occurrence, regardless of the number of residents who had "**money**" and "**securities**" lost or damaged is \$5,000 subject to the any one resident limit in **2.b.(1)** above.
 - (3) The most we will pay for the sum of all such "**loss**" or damage during each separate policy period is \$50,000, regardless of the number of occurrences.
- c. We will not pay for a "**loss**" under this coverage until the amount of "**loss**" exceeds a \$500 deductible. We will then pay the amount of "**loss**" in excess of the deductible up to the applicable Limit of Insurance.

I. Reward Reimbursement

We will pay a reward for information that leads to a criminal conviction in connection with "**loss**" or damage to covered property by a Covered Cause of Loss; provided that the reward is pre-approved by us.

The most we will pay for "**loss**" or damage under this extension is \$5,000 regardless of the number of persons who provide information. No deductible shall apply to this coverage.

This extension does not include arson reward, as arson reward is included in Section 4. **Additional Coverages** of the **PROPERTY COVERAGE FORM**.

J. Spoilage

1. We will pay for direct physical "**loss**" or damage to your perishable business personal property, and perishable personal property of others while at or within 1000 feet of the described premises caused by spoilage due to changes in temperature or humidity resulting from:
 - a. Complete or partial interruption of electrical power to the described premises due to conditions beyond your control; or
 - b. Mechanical breakdown or failure of heating, cooling or humidity control equipment or apparatus at the described premises.
2. Coverage does not apply to:
 - a. The disconnection of any heating, cooling or humidity control equipment or apparatus from the source of power.
 - b. The deactivation of electrical power or current caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
 - c. The inability of an electric utility company or other power source to provide sufficient

power due to:

- (1) Lack of fuel; or
- (2) Governmental order.

d. The inability of a power source at the described premises to provide sufficient power due to insufficient generating capacity to meet demand.

3. The most we will pay for “**loss**” or damage in any one occurrence is \$50,000.

VI. Limitations

A. Section C. **Limitations** in the **CAUSES OF LOSS FORM** is amended as follows:

- 2. a. The limit for furs, fur garments and garments trimmed with fur is increased to \$5,000.
- b. The limit for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals is increased to \$5,000. This Limit of Insurance does not apply to jewelry and watches worth \$100 or less per item.

VII. Definitions

- A. “**Alternative key systems**” means programmable keying systems, such as mechanically or electronically coded key cards.
- B. “**Counterfeit money**” means an imitation of “**money**” that is intended to deceive and to be taken as genuine.
- C. “**Emergency**” means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to occupants.



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Taxes, Surcharges, and Fees Notice

*Note: The above proposal may not account for local taxes, Surcharges, and/or fees mandated by the State in which you/your business operate(s). The final policy will include a description of how local taxes, surcharges and fees, if applicable, have been allocated as determined by the risk location. Please contact a PHL Y representative if you have any questions.