

**AMENDMENT TO CONTRACT**  
**Business Card and Letterhead Printing**  
**(Letterhead Only)**  
**Bid No. 18-082**  
**City of Lincoln, Lancaster County and**  
**City of Lincoln-Lancaster County Public Building Commission**  
**Renewal**  
**Cornhusker State Industries**

This Amendment is hereby entered into by and between Cornhusker State Industries, PO Box 94661 Lincoln, NE 68509 (hereinafter "Contractor") and the City of Lincoln, Lancaster County and the City of Lincoln-Lancaster County Public Building Commission (hereinafter "Owners"), for the purpose of amending the Contract dated June 12, 2018 executed under City Directorial Order No. 19455, and County Contract C-18-0271, dated June 12, 2018, and executed by the City of Lincoln-Lancaster County Public Building Commission, on June 5, 2018, for Business Cards and Letterhead Printing, Bid No. 18-082, which is made a part of this amendment by this reference.

WHEREAS, the original term of the Contract is June 12, 2018 through June 11, 2019, with the option to renew for three (3) additional one (1) year terms upon written mutual consent by all parties; and

WHEREAS, the parties hereby renew the Contract for an additional one (1) year term beginning June 12, 2019 through June 11, 2020; and

WHEREAS, the parties hereby amend the Contract to specify the standard turnaround time for orders placed from a preapproved template is 7-10 business days; and

WHEREAS, the expenditures for the City of Lincoln for the term of this renewal shall not exceed \$15,000.00 without approval by the City of Lincoln; and

WHEREAS, the expenditures for Lancaster County for the term of this renewal shall not exceed \$2,500.00 without approval by the Lancaster County Board; and

WHEREAS, the expenditures for the City of Lincoln-Lancaster County Public Building Commission for the term of this renewal shall not exceed \$1,000.00 without approval by the Public Building Commission; and

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in the Contract under City Directorial Order No. 19455 and County Contract C-18-0271, all amendments thereto, and as stated herein, the parties agree as follows:

- 1) The parties hereby amend the Contract to specify the standard turnaround time for orders placed from a preapproved template is 7-10 business days.
- 2) The parties hereby renew the Contract for an additional one (1) year term beginning June 12, 2019 through June 11, 2020.
- 3) The expenditures for the City of Lincoln for the term of this renewal shall not exceed \$15,000.00 without approval by the City of Lincoln.
- 4) The expenditures for Lancaster County for the term of this renewal shall not exceed \$2,500.00 without approval by the Lancaster County Board.
- 5) The expenditures for the City of Lincoln-Lancaster County Public Building Commission for the term of this renewal shall not exceed \$1,000.00 without approval by the Public Building Commission.
- 6) All other terms of the Contract, not in conflict with this Amendment, shall remain in force and effect.

The Parties do hereby agree to all the terms and conditions of this Amendment. This Amendment shall be binding upon the parties, their heirs, administrators, executors, legal and personal representatives, successors, and assigns.

IN WITNESS WHEREOF, the Parties do hereby execute this Amendment upon completion of signatures on:

Vendor Signature Page

City of Lincoln Signature Page

Lancaster County Signature Page

City of Lincoln-Lancaster County Public Building Commission Signature Page


## Vendor Signature Page

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**Cornhusker State Industries**

**Please sign, date and return within 2 days of receipt.**

Mail to: City/County Purchasing  
 Attn: Lori L. Irons  
 440 So. 8th St., Ste. 200  
 Lincoln, NE 68508  
 Or email to: [llirons@lincoln.ne.gov](mailto:llirons@lincoln.ne.gov)

Company Name:	CORNHUSKER STATE INDUSTRIES
By: (Please Sign)	
By: (Please Print)	JEREMY ELDER
Title:	DEPUTY DIRECTOR - INDUSTRIES
Company Address:	800 Pioneers Blvd Lincoln NE 68502
Company Phone & Fax:	(800) 348-7537 (402) 471-1236
E-Mail Address:	jeremy.elder@nebraska.gov
Date:	5/17/19
Contact Person for Orders or Service	Danley Walkington danley.walkington@nebraska.gov
Contact Phone Number:	402-479-6200

**City of Lincoln Signature Page**

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**EXECUTION BY THE CITY OF LINCOLN, NEBRASKA**

ATTEST:

\_\_\_\_\_  
City Clerk

CITY OF LINCOLN, NEBRASKA

\_\_\_\_\_  
Finance Director

Approved by Directorial Order No. \_\_\_\_\_

dated \_\_\_\_\_

## Lancaster County Signature Page

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Renewal  
Cornhusker State Industries**

### **EXECUTION BY LANCASTER COUNTY, NEBRASKA**

Contract Approved as to Form:

The Board of County Commissioners of  
Lancaster, Nebraska

\_\_\_\_\_  
Deputy Lancaster County Attorney

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

dated \_\_\_\_\_

**City of Lincoln-Lancaster County Public Building Commission  
Signature Page**

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Renewal  
Cornhusker State Industries**

**EXECUTION BY LINCOLN-LANCASTER COUNTY PUBLIC BUILDING COMMISSION**

ATTEST:

  
\_\_\_\_\_  
Public Building Commission Attorney

  
\_\_\_\_\_  
Chairperson, Public Building Commission

dated 5/14/19 \_\_\_\_\_



Pete Ricketts, Governor

## CERTIFICATE OF SELF-INSURANCE, STATE OF NEBRASKA

The Department of Correctional Services – Cornhusker State Industries, an agency of the State of Nebraska, has been asked by Lancaster County, to provide this documentation as it relates to providing print shop services.

Under the provisions of Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008), the State of Nebraska purchases excess insurance for property, automobile, and crime, but is self-insured for a portion of any loss. Further, under Neb. Rev. Stat. § 81-8, 239.05, the State of Nebraska shall indemnify its officials and employees for money damages and reasonable costs incurred as a result of an act or omission occurring in the course and scope of employment of such official or employee. However, this shall not apply in case of malfeasance in office or willful or wanton neglect of duty. If there is a liability loss, a claim may be filed with the State Claims Board. The State retains all rights and immunities under the State Tort Claims Act, Neb. Rev. Stat. § 81-8,209 et seq. (Reissue 2008) and any other provisions of law.

Workers' Compensation is statutorily required in Nebraska and the State is self-insured. Occupational diseases are fully covered by law.

Allen D Simpson  
State Risk Manager

Date

Allen D Simpson, State Risk Manager

Department of Administrative Services | RISK MANAGEMENT

PO Box 94974

Lincoln, Nebraska 68509-4974

1526 K Street, Ste. 220

Lincoln, Nebraska 68508

OFFICE

402-471-6500

FAX

402-471-2089

[das.nebraska.org](http://das.nebraska.org)



380 Sentry Parkway, P.O. Box 3031, Blue Bell, PA 19422-0754 | T: 888.476.2669

# Self-Insured Package Policy

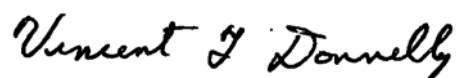




Pennsylvania Manufacturers' Association Insurance Company, A Stock Insurance Company  
Pennsylvania Manufacturers' Indemnity Company, A Stock Insurance Company  
Manufacturers' Alliance Insurance Company, A Stock Insurance Company

**In Witness Whereof**, the COMPANY has caused this policy to be signed by its President, or a Vice President and Secretary, at Blue Bell, PA.

  
Secretary

  
President

## SELF-INSURED PACKAGE POLICY COMMON POLICY DECLARATIONS

**NAMED INSURED:** The State of Nebraska  
**MAILING ADDRESS:** Division of Risk Management  
1526 K Street, Suite 220  
P.O. Box 94947  
Lincoln, NE 68509-4947

**BROKER OF RECORD:** Jean Cofield  
**MAILING ADDRESS:** Aon Risk Services, Inc.  
1120 20<sup>th</sup> Street NW, Suite 600  
Washington, DC 20036

**POLICY PERIOD:** **FROM:** July 1, 2018 **TO:** July 1, 2019  
12:01 am standard time at the mailing address of the first **named insured**.

**PREMIUM:** \$2,070,000 annual and minimum. Coverage applies only when a limit is shown in the Limits of Insurance schedule.

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

**POLICY NUMBER:** 821800 1018712

**CLAIMS ADMINISTRATOR:** Peter E. Eiden, AIC – Claims Manager  
**MAILING ADDRESS:** NRMA  
8040 Eiger Drive  
P.O. Box 85210  
Lincoln, NE 68501-5210

## LIMITS OF INSURANCE SCHEDULE

### PROPERTY COVERAGE PART

PROPERTY PER LOSS:	\$700,000
FLOOD ANNUAL AGGREGATE:	\$2,000,000
EARTHQUAKE ANNUAL AGGREGATE:	\$2,000,000
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY REPORTING LIMIT:	\$5,000,000

*The following Excess Sublimits of Insurance are part of and not in addition to the Property Per Loss limit stated above.*

BUSINESS INCOME AND EXTRA EXPENSE:	\$700,000
ELECTRONIC DATA:	\$700,000
VALUABLE PAPERS AND RECORDS:	\$700,000
DEBRIS REMOVAL:	\$700,000
PRESERVATION OF PROPERTY:	\$700,000
ORDINANCE OR LAW:	\$700,000
POLLUTANT CLEAN-UP AND REMOVAL:	\$700,000
CIVIL AUTHORITY:	\$700,000
GREEN UPDATES COVERAGE:	\$700,000
TRANSIT:	\$700,000

### CRIME COVERAGE PART

MONEY AND SECURITIES:	\$975,000
FORGERY OR ALTERATION:	\$975,000
EMPLOYEE DISHONESTY:	\$975,000

### AUTOMOBILE COVERAGE PART

AUTOMOBILE LIABILITY PER ACCIDENT:	\$4,700,000
GARAGEKEEPERS' LEGAL LIABILITY PER ACCIDENT:	\$700,000
AUTOMOBILE PHYSICAL DAMAGE PER ACCIDENT:	\$800,000
MEDICAL PAYMENTS PER PERSON:	\$0
MEDICAL PAYMENTS PER ACCIDENT:	\$0

### GENERAL LIABILITY COVERAGE PART

Not Covered

### LAW ENFORCEMENT LIABILITY COVERAGE PART

Not Covered

### ERRORS AND OMISSIONS LIABILITY COVERAGE PART

Not Covered

### SEXUAL ABUSE LIABILITY COVERAGE PART

Not Covered

### EMPLOYEE BENEFITS LIABILITY COVERAGE PART

Not Covered

### WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY COVERAGE PART

Not Covered

### AGGREGATE LOSS FUND PROTECTION

LOSS FUND PROTECTION ANNUAL AGGREGATE:	\$1,000,000
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**SELF-INSURED RETENTIONS SCHEDULE**

<b>PROPERTY COVERAGE PART</b>	
PROPERTY PER LOSS:	\$300,000
<b>CRIME COVERAGE PART</b>	
CRIME PER LOSS:	\$25,000
<b>AUTOMOBILE COVERAGE PART</b>	
AUTOMOBILE LIABILITY PER ACCIDENT:	\$300,000
GARAGEKEEPERS' LEGAL LIABILITY PER ACCIDENT:	\$300,000
AUTOMOBILE PHYSICAL DAMAGE PER ACCIDENT:	\$200,000
MEDICAL PAYMENTS PER PERSON:	\$10,000
MEDICAL PAYMENTS PER ACCIDENT:	\$100,000
<b>GENERAL LIABILITY COVERAGE PART</b>	Not Covered
<b>LAW ENFORCEMENT LIABILITY COVERAGE PART</b>	Not Covered
<b>ERRORS AND OMISSIONS LIABILITY COVERAGE PART</b>	Not Covered
<b>SEXUAL ABUSE LIABILITY COVERAGE PART</b>	Not Covered
<b>EMPLOYEE BENEFITS LIABILITY COVERAGE PART</b>	Not Covered
<b>WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY COVERAGE PART</b>	Not Covered
<b>AGGREGATE LOSS FUND PROTECTION</b>	
LOSS FUND:	\$5,600,000

**FORMS AND ENDORSEMENTS ATTACHING TO THIS POLICY**

<b><u>FORM NUMBER</u></b>	<b><u>FORM NAME</u></b>
SIPP 0000 07 2016	Self-Insured Package Policy
AR SIPP 20 27 07 16	Claim Notice
AR SIPP 01 04 07 18	Other Insurance and Recovery
AR SIPP 01 05 07 18	Statutory Requirements Imposed on You
AR SIPP 02 02 07 18	Mobile Equipment and Watercraft Coverage
AR SIPP 04 02 07 18	Reproduction Cost
AR SIPP 05 01 07 18	Employee Definition Amendment Crime Coverage
AR SIPP 06 06 07 18	Automobile Liability and Automobile Physical Damage for Specified Vehicles
AR SIPP 06 07 07 18	Nebraska Uninsured and Underinsured Motorists Coverage
AR SIPP 06 08 07 18	University Systems
AR SIPP 20 19 07 16	Exclusion of Certified Acts of Terrorism and Exclusion of Other Terrorist Acts (With State Law Exception)
AR SIPP 20 48 07 18	Automobile Liability Annual Aggregate Deductible
AR SIPP 20 49 07 18	Foster Care Liability Coverage Part
AR SIPP 20 50 07 18	Nebraska Revised Statute Section 44-358
AR SIPP 20 51 07 18	Vehicular Pursuit by Law Enforcement Officers
AR SIPP 20 26 07 16	Endorsement No. 1 – Policy Changes – Additional Scheduled Locations
AR SIPP 20 26 07 16	Endorsement No. 2 – Policy Changes – Additional Scheduled Locations

**SELF-INSURED PACKAGE POLICY  
COMMON POLICY CONDITIONS**

Throughout this policy the words 'you' and 'your' refer to the **named insured** in the Common Policy Declarations. The words 'we', 'us' and 'our' refer to the insurance company providing this insurance.

Other words and phrases that appear in **bold** have special meaning - refer to either the Common Policy Definitions or specific Coverage Part Definitions. Other words and phrases that appear in CAPITAL LETTERS are titles.

All coverage parts of this policy are subject to the following conditions, unless otherwise noted:

1. ASSIGNMENT

Your rights and duties under this policy may not be transferred without our prior written consent.

2. BANKRUPTCY

In the event of bankruptcy, insolvency, or receivership of the **insured**, this policy shall not apply as a replacement of any applicable Self-Insured Retention(s) and our applicable Limit(s) will apply only in excess of the applicable Self-Insured Retention shown on the Common Policy Declarations.

3. CANCELLATION

- A. The first **named insured** shown on the Common Policy Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- B. We may cancel this policy by mailing or delivering to the first **named insured** written notice of cancellation at least:
  - 1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - 2) The number of advance days before the effective date of cancellation required to comply with state regulatory requirements if we cancel for any other reason.
- C. We will mail or deliver our notice to the first **named insured's** mailing address shown on the Common Policy Declarations.
- D. Notice of cancellation will state the effective date of cancellation. The **policy period** will end on that date.
- E. If this policy is cancelled, we will send the first **named insured** any premium refund due. If we cancel, the refund will be calculated on a pro rata basis. If the first **named insured** cancels, the refund will be calculated on a short rate basis. If Aggregate Loss Fund Protection is purchased, the first **named insured** is responsible for the full amount of the Loss Fund identified in the Self-Insured Retentions Schedule of the Common Policy Declarations.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first **named insured** shown on the Common Policy Declarations is authorized to request changes in terms and conditions of this policy with our agreement. This policy's terms can be amended or waived only by endorsement issued by us and made part of this policy.

5. CLAIMS ADMINISTRATION

You are responsible for the administration, investigation and settlement of any **loss, occurrence, accident, claim or suit** covered under this policy. If you contract with any third party Claims Administrator(s), we must approve such Claims Administrator(s) and their name(s) and address(es) must be listed under Claims Administrator in the Declarations.

In the event of the termination of your agreement between you and any Claims Administrator, you must notify us 90 days prior to the effective date of such termination and we must approve any new Claims Administrator. Our approval is also required in the event you choose to self-administer your **claims**.

We assume no liability for you or your administration, investigation or settlement of any **loss, occurrence, accident, claim or suit**. This condition survives the termination of this policy, whether termination is due to cancellation, nonrenewal or expiration of this policy.

6. CLASH COVERAGE

If there is a **loss, occurrence, accident, claim** or disease that involves more than one Coverage Part, you will have the benefit of all applicable Coverage Parts, subject to the limits stated in the Common Policy Declarations. You will only be responsible for one Self-Insured Retention. The amount of your Self-Insured Retention for a **loss, occurrence, accident, claim** or disease that involves more than one Coverage Part will be the Self-Insured Retention for the Coverage Part with the largest dollar amount of **loss**.

7. CONFLICTING STATUTES

If any terms of this policy conflict with the statutes of the state in which this policy is issued, those terms are amended to conform to such statutes.

8. CURRENCY

Whenever the word "Dollars" or the "\$" sign appears in this policy, they shall be construed to mean United States Dollars and all transactions under this policy shall be in United States Dollars.

9. DUTIES IN THE EVENT OF A LOSS, OCCURRENCE, ACCIDENT, CLAIM, SUIT OR DISEASE

A. You or your Claims Administrator must notify us as soon as practicable of a **loss, occurrence, accident, claim, suit** or disease which appears reasonably likely to involve indemnification from us to you under this policy in writing. Written notice should be as complete as possible and should include the following items at a minimum:

- 1) How, when and where the **loss, occurrence, accident, claim, suit** or disease took place;
- 2) The **insured's** name and address;
- 3) The names and addresses of any persons seeking damages, injured persons and witnesses; and
- 4) A description outlining the nature of any **loss, occurrence, accident, claim, suit** or disease and any resulting injury or damage.

Once someone in your legal department, risk management department, claims department or any of your elected, appointed or employed officials receives notice of a **loss, occurrence, accident, claim, suit** or disease which appears reasonably likely to involve this policy, those individuals and all other **insureds** must secure all your rights of recovery against any person or organization responsible for the **loss** and do nothing to impair those rights.

B. You or your Claims Administrator must record the specifics of the **loss, occurrence, accident, claim, suit** or disease, including all demands, notices, summonses, or legal papers,

the date received and notify us as soon as practicable. Notice shall be deemed given as soon as it is given to us by the department, person or contracted Claims Administrator.

- C. If we choose to associate with you for the defense of a **claim** or **suit**, you and any other **insureds** involved in such **claim** or **suit** must:
- 1) Authorize us to obtain records and other information;
  - 2) Cooperate with us in the investigation, settlement or defense of the **claim** or **suit**; and
  - 3) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of injury or damage to which this policy may also apply.
- D. You, or your Claims Administrator must notify us immediately of any **loss, occurrence, accident, claim, suit** or disease which:
- 1) Results in the establishment of a reserve, or reasonably requires the establishment of a reserve that exceeds 50% of the applicable Self-Insured Retention; or
  - 2) Involves any of the following:
    - a. Death;
    - b. Amputation or **loss of use** of a major extremity;
    - c. Any injury to the head, brain or spinal cord;
    - d. Blindness;
    - e. Multiple fractures;
    - f. Any paralysis or loss of sensation of a major extremity;
    - g. Massive internal injury to any major body organ;
    - h. Third degree burns involving more than 20% of the body, or second degree burns involving more than 50% of the body;
    - i. Any injury that reasonably appears as though it will cause a disability that will last more than one year;
    - j. Use of a firearm resulting in **bodily injury** to anyone;
    - k. Any class action **suit**;
    - l. Any **claim** involving rape or **sexual abuse**, or
    - m. Any **suit** involving land use.

Notice given by or on behalf of the **insured** to us with particulars sufficient to identify the **insured** and the nature of the **claim** and alleged injuries shall be considered notice to us.

- E. You must notify law enforcement authorities if any **loss, occurrence, accident, claim, suit** or disease involves a violation of the law.
- F. You must take all reasonable steps to protect the property, including any **automobile**, from further damage and keep record of your expenses necessary to protect the property for consideration in the settlement of the **claim**.
- G. You must agree to examination, under oath, at our request and give us a signed statement of your answers.



10. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the **policy period** and up to three years afterward. There is no time limit to examination and audit of your books and records as they relate to a **loss** or **claim** involving this policy.

11. INSPECTIONS AND SURVEYS

We have the right, but are not obligated to:

- A. Make inspections and surveys at any time;
- B. Give you reports on the conditions we find; and
- C. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

12. LEGAL ACTION AGAINST US

With regard to the liability coverages of this policy, no person or organization has a right to:

- A. Join us as a party or otherwise bring us into a **suit** asking for damages from an insured; or
- B. Sue us unless all of the terms of this policy have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we are not liable for damages that are not payable under the terms of any liability coverage part of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

13. NO DUTY TO DEFEND

This policy does not require us to defend any **suit** or **claim**. However, we will have the right to associate in the defense of any **suit** or **claim** potentially covered under a liability coverage part of this policy. Additionally, we will have the right to control the defense of any **suit** or **claim** against an **insured** where the demand or potential exposure exceeds the Self-Insured Retention. We shall have the right to settle any **claim** that may create indemnification obligations for us under this Coverage Part.

14. NONRENEWAL

- A. If we elect not to renew this policy, we will mail the first **named insured** written notice of nonrenewal in compliance with state regulatory advance notice requirements prior to the expiration date of this policy.
- B. We will mail or deliver our notice to the first **named insured's** mailing address shown on the Common Policy Declarations.
- C. If notice is mailed, proof of mailing will be sufficient proof of notice.

15. OTHER INSURANCE

This policy provides true excess coverage. All coverage in this policy is excess over any other insurance, unless that other insurance is specifically purchased by you to apply excess of this

policy. The Self-Insured Retention may not be satisfied by any other insurance, unless specifically endorsed on this policy as such.

16. RECOVERY

- A. Any recovery, whether made by us or by you shall be paid net of the expense of such recovery in the order and to the party indicated below:
- 1) First, to you to satisfy any covered **loss** that is in excess of the Limits of Insurance and not covered by any other insurance;
  - 2) Next, to us to satisfy the amount paid to you or on your behalf;
  - 3) Finally, to you to satisfy your Self-Insured Retention.
- B. Recoveries do not include any recovery:
- 1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - 2) Of original **securities** after duplicates of them have been issued.

17. REPRESENTATION

By accepting this policy you agree that:

- A. The information provided to us in your submission and application for this policy is a true and complete representation of your exposures;
- B. We have issued this policy based on the understanding that you have provided us a true and complete representation of your exposures; and
- C. Unless otherwise provided by law, this policy is voidable by us in the case of fraud or if you conceal or misrepresent any material facts concerning this policy in your submission to us.

18. SEPARATION OF INSURED

Except with respect to any applicable Limit of Insurance, Self-Insured Retention, and misrepresentation and concealment provisions, the exclusions and conditions applicable to the liability coverages of this policy apply:

- A. As if each **insured** were the only **insured**; and
- B. Separately to each **insured** against whom **claim** or **suit** is brought.

19. TERRITORY

The liability coverages of this policy cover any **loss** or **claim** that you sustain from an **occurrence** or **wrongful act** that takes place anywhere in the world as long as any **suit** is brought in the United States of America, including any of its territories and possessions.

20. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payments under this policy has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after the **loss, occurrence, accident, suit, claim** or disease to impair them.

21. VOLUNTARY PAYMENTS OR ASSUMED OBLIGATIONS

With regard to the liability coverages of this policy no insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense other than for first aid, without our consent.

**SELF-INSURED PACKAGE POLICY  
COMMON POLICY DEFINITIONS**

All Coverage Parts of this policy are subject to the following DEFINITIONS, unless otherwise noted.

1. **Automobile** means:
  - A. Any land motor vehicle, **trailer** or semitrailer designed for travel on public roads; or
  - B. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

**Automobile** does not include **mobile equipment**.
2. **Bodily injury** means injury to a person's body, sickness or disease sustained by a person, including death resulting from any of these, and any mental anguish or shock, sickness, disease, disability, or death associated with or arising from such physical injury.
3. **Claim** means any demand for damages, or **suit**, made against you.
4. **Claim expense** means:
  - A. Reasonable and necessary attorneys' fees, expert witness fees and other fees and costs incurred by us or by you in the investigation and defense of a covered **claim**.
  - B. Reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided that we shall have no obligation to apply for or furnish such bond; and
  - C. Pre-judgment and post-judgment interest awarded in any **claim**.

**Claim expense** shall not include wages, salaries, fees or costs of your directors, officers or **employees**. **Claim Expense** shall not include the salaries or administrative costs of your Claims Administrator. **Claim expense** shall be reduced by any recoveries or salvages which have been paid or will be collected.
5. **Computer program** means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send **electronic data**.
6. **Electronic data** means information, facts or **computer programs** stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. **Electronic data** does not apply to your "stock" of prepackaged software, or to **electronic data** which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
7. **Employee** means a person employed, formerly employed, on leave of absence or disabled, or retired. **Employee** also includes a **leased worker** and a volunteer. **Employee** also includes a **temporary worker**.
8. **Employee benefit program** means a program providing some or all of the following benefits to **employees**, whether provided through a **cafeteria plan** (as defined in the Employee Benefits Liability Coverage Part) or otherwise:
  - A. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an **employee** may subscribe

- to such benefits and such benefits are made generally available to those **employees** who satisfy the plan's eligibility requirements;
- B. Profit sharing plans, **employee** savings plans, **employee** stock ownership plans, pension plans and stock subscription plans, provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to all **employees** who are eligible under the plan for such benefits;
  - C. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - 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.
9. **Employment practices** means any act relating to selection, supervision or dismissal of any **employee**. It also includes the practices, policies, acts or omissions which are employment related.
10. **Fungus** means mold, mildew, or any mycotoxins, spores, scents or by-products produced or released by fungi.
11. **Incidental medical services** means rendering or failure to render emergency or first aid medical services to a person. This includes, but is not limited to dispensing medication, administration of vaccines and other inoculations, blood tests, administration of medicine or tests that are preventative in nature and do not require advanced medical diagnosis. **Incidental medical services** does not include any services that are provided:
- A. In a hospital, emergency room or any other medical facility that has overnight facilities for patients;
  - B. By a physician, medical doctor, osteopath, chiropractor, resident, extern, intern or physician's assistant;
  - C. By a psychiatrist;
  - D. By a pharmacist; or
  - E. By a dentist, orthodontist, periodontist or other dental physician.
12. **Insured** means the **named insured** or any person or organization qualifying as an **insured** in the WHO IS AN INSURED provision for each coverage part.
13. **Insured contract** means:
- A. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured** contract;
  - B. A sidetrack agreement;
  - C. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - D. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - E. An elevator maintenance agreement;

- F. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **bodily injury, personal injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
14. **Law enforcement activities** means the **insured's** activities while acting as an official, officer, auxiliary officer, **employee, temporary worker** or volunteer of a law enforcement agency or department of the **named insured** while performing a law enforcement function. **Law enforcement activities** do not include **employment practices**.
15. **Leased worker** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. **Leased worker** does not include a **temporary worker**.
16. **Loss** means any monetary amount that an **insured** is obligated to pay because of a **claim** or an amount of **money** lost from destruction or ruin of property.
17. **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 public roads;
  - B. Vehicles maintained for use solely on or next to premises you own or rent;
  - 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 Paragraph 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 Paragraph A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** and will be considered **automobiles**:
    - 1) Equipment designed primarily for:
      - a. Snow removal;
      - b. Road maintenance, but not construction or resurfacing; or
      - c. Street cleaning;
    - 2) Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and

- 3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

**Mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **automobiles**.

18. **Money** means:
  - A. Currency, coins and bank notes in current use and having a face value;
  - B. Traveler's checks and money orders held for sale to the public; and
  - C. Deposits in your account at any financial institution.
19. **Named insured** means the organization identified in the Common Policy Declarations.
20. **Occurrence** means an accident, including a series of continuous or repeated accidents. A series of continuous or repeated accidents shall be deemed one **occurrence**. Only one policy, one Self-Insured Retention and one Limit of Insurance apply to any one **occurrence**.
21. **Personal injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:
  - A. False arrest, detention or imprisonment;
  - B. Malicious prosecution;
  - C. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - D. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - E. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - F. The use of another's advertising idea in your advertisement; or
  - G. Infringing upon another's copyright, trade dress or slogan in your advertisement.
22. **Personal property of others** means that property that is in your care, custody or control; or property that is owned by your officers, partners, members, managers, **employees** and volunteers.
23. **Policy period** means the time the policy is in force between the effective date and expiration date stated in the Common Policy Declarations.
24. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
25. **Property damage** means damage to or **loss of use** of tangible property.
26. **Securities** means negotiable and nonnegotiable instruments or contracts representing either **money** or property and includes:
  - A. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

- B. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

**Securities** does not include **money**.

- 27. **Sexual abuse** means any actual, attempted or alleged criminal sexual conduct of a person by another person, or persons acting in concert, regardless if criminal charges or proceedings are brought, which causes physical and/or mental injuries. **Sexual abuse** includes actual, attempted or alleged sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual abuse** does not include **sexual harassment**.

- 28. **Sexual harassment** means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature of a person by another person, or persons acting in concert, which causes harm when:

- A. Submission to or rejection of such unwelcome conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
- B. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creates an intimidating, hostile or offensive work environment.

- 29. **Suit** means a civil proceeding in which:

- A. Damages because of **bodily injury, personal injury or property damage**; or
- B. Damages because of an act, error or omission;

to which this insurance applies, are alleged.

**Suit** includes an arbitration proceeding in which such damages or **costs** or expenses are claimed and to which the **insured** must submit or does submit with our consent, or any other alternative dispute resolution proceeding in which such damages or **costs** or expenses are claimed and to which the **insured** submits with our consent.

- 30. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

- 31. **Theft** means the unlawful taking of property to the deprivation of the **insured**.

- 32. **Trailer** includes semitrailer.

- 33. **Wrongful act** means any actual or alleged error or misstatement, omission, act or neglect or breach of duty due to misfeasance, malfeasance and nonfeasance including any discrimination and violation of civil rights.

**Wrongful act** also means wrongful entry, wrongful eviction, malicious prosecution, humiliation, infringement or misappropriation of intellectual property rights, invasion of privacy, libel, slander, defamation of character, disparagement of property and erroneous service of civil papers.

All **claims** from the same **wrongful act** or series of related **wrongful acts** shall be considered one **wrongful act**.

**SELF-INSURED PACKAGE POLICY  
COMMON POLICY EXCLUSIONS**

All Coverage Parts of this policy, except WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY, are subject to the following exclusions, unless otherwise noted. This insurance does not apply to:

1. Any **loss, occurrence**, accident, **claim** or **suit** arising out of the ownership, maintenance, permit, use or entrustment to others of any aircraft. Use includes the operation of loading and unloading.  
This exclusion does not apply to an aircraft that is:
  - A. Chartered with a pilot to an **insured**;
  - B. Not owned by an **insured**; and
  - C. Not being used to carry any person or property for a charge.
2. Any **loss, occurrence**, accident, **claim** or **suit** arising out of asbestos in any form from any source.  
This exclusion does not apply to **loss** caused by **bodily injury** or **property damage** arising from emergency services or training operation provided by you.
3. Any **loss, occurrence**, accident, **claim** or **suit** arising out of the **insured's** assumption of liability in a written contract or agreement.  
This exclusion does not apply to any **loss, occurrence**, accident, **claim** or **suit** for liability:
  - A. The **insured** would have in the absence of the written contract or agreement; or
  - B. Assumed in a written contract or agreement that is executed prior to the **loss, occurrence**, accident, **claim** or **suit** that is an **insured contract**.
4. Any **loss, occurrence**, accident, **claim, suit** or disease in any case of:
  - A. Concealment or misrepresentation by any **insured** of a material fact; or
  - B. Fraud committed by any **insured**, at any time, and relating to coverage under this policy, except as specifically covered under the Crime Coverage Part.
5. Any **loss, occurrence**, accident, **claim** or **suit** caused by seizure or destruction of property by order of governmental authority.  
But we will pay for **loss** from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under the Property Coverage Part.
6. Any **loss, occurrence**, accident, **claim** or **suit** arising out of the ingestion, inhalation, absorption or exposure to lead in any form from any source.
7. Any **loss, occurrence**, accident, **claim** or **suit** arising out of the presence, growth, proliferation, spread or any activity of mold, **fungus**, wet or dry rot or bacteria.  
This exclusion applies:
  - A. Whether or not the **loss** results in widespread damage or affects a substantial area.
  - B. When mold, **fungus**, wet or dry rot or bacteria result directly or indirectly from fire or lightning.



8. Any **loss, occurrence**, accident, **claim** or **suit** arising out of nuclear reaction or radiation, or radioactive contamination, however caused.

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

9. Pollution

- A. **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- 1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **insured**;
- 2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- 3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- 4) At or from any premises, site or location on which any insured or contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
  - a. If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
  - b. If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph 4) a) does not apply to **bodily injury** or **property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraphs 1) and 4) a) do not apply to **bodily injury** or **property damage** arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

This exclusion does not apply to **bodily injury** or **property damage** which is caused by the use or application by you, or on your behalf, of pesticides, herbicides, fungicides, fertilizers or other chemicals provided that all such use and applications meet all standards of any statute, ordinance, regulation or license requirement of any federal, state, or local government which apply to those operations. Those operations may include, but are not limited to the water treatment or purification of drinking water, operation of swimming pools, landscaping or gardening operations and educational chemistry laboratories.

- B. Any **loss**, cost or expense arising out of any:
- 1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
  - 2) **Claim** or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.
10. Any increase in **loss, occurrence**, accident, **claim** or **suit** from punitive or exemplary damages, or any damages which may be deemed uninsurable under the laws of the state in which this policy is issued.
11. Any **loss, occurrence**, accident, **claim** or **suit** arising, in whole or in part, out of silica or silica-related dust. As used in this exclusion:
- A. Silica means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
  - B. Silica-related dust means a mixture or combination of silica and other dust or particles.
12. Any **loss, occurrence, claim** or **suit** caused by:
- A. War, including undeclared or civil war;
  - B. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - C. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
13. Any **loss, occurrence**, accident, **claim** or **suit** arising out of the ownership, maintenance, permit, use or entrustment of any watercraft. Use includes the operation of loading or unloading. This exclusion does not apply to:
- A. A watercraft while ashore on premises you own, rent or lease.
  - B. A watercraft you do not own that is:
    - 1) Less than 51 feet in length; and
    - 2) Not being used to carry persons or property for charge; and
    - 3) Not being used in any racing or stunting activity.
  - C. A watercraft you own that is less than 26 feet.
14. Any **claim** arising out of the ownership, maintenance or use of any airfields, runways, hangars, buildings or **other property** in connection with aviation activities, other than from buildings to which the general public is admitted.

**SELF-INSURED PACKAGE POLICY  
PROPERTY COVERAGE PART**

INSURING AGREEMENT

We will indemnify you for:

1. BUILDINGS AND PERSONAL PROPERTY

Direct physical loss of or damage to:

- A. **Covered property** at the premises listed in the Statement of Values on file with us; or
- B. Your personal property where ever located if temporarily away from your premises listed in the Statement of Values on file with us;

that occurs during the **policy period** caused by or resulting from any **covered cause of loss**.

COVERAGE EXTENSIONS

These Coverage Extensions are subject to the Property Per Loss Limit and applicable Excess Sublimit of Insurance Limit stated in the Common Policy Declarations. These Excess Sublimits of Insurance are part of and not in addition to the Property Per Loss Limit stated in the Common Policy Declarations, and represent the most we will pay for the described form of **loss**.

1. BUSINESS INCOME AND EXTRA EXPENSE

- A. The actual loss of **business income** and **extra expense** you sustain due to the necessary **suspension** of your **operations** during the **period of restoration** due to a **covered cause of loss to covered property**.

- B. The cost to:

- 1) Minimize the **suspension** of business and to continue **operations** at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
- 2) Minimize the **suspension** of business if you cannot continue **operations**;
- 3) Repair or replace property more quickly, but only to the extent it reduces the amount of **loss** that otherwise would have been payable under this Coverage Part.

2. ELECTRONIC DATA

The cost to replace or restore **electronic data** which has been destroyed or corrupted by a **covered cause of loss**.

3. VALUABLE PAPERS AND RECORDS

The cost to replace or restore the lost information on **valuable papers and records**, including those which exist as **electronic data**, for which duplicates do not exist. This includes the cost of blank material for reproducing the records, whether or not duplicates exist, and when there is a duplicate, for the cost of labor to transcribe or copy the records.

4. DEBRIS REMOVAL

To remove debris that is **covered property** and other debris that is on the described premises when such debris is caused by or results from a **covered cause of loss** that occurs during the **policy period**. Debris does not include **pollutants**.

5. PRESERVATION OF PROPERTY

For direct physical **loss** or damage to **covered property**, while it is being moved or temporarily stored at a location not on the Schedule of Values on file with us, if it must be moved to preserve it from **loss** or damage by a **covered cause of loss**.

6. ORDINANCE OR LAW

- A. The increased cost incurred to comply with the minimum standards of an **ordinance or law** in the course of repair, rebuilding or replacement of damaged parts after a **covered cause of loss** to a covered building.
- B. The **loss** in value to the undamaged portion of a building that has sustained a **covered cause of loss** as a consequence of a requirement to comply with an **ordinance or law** that requires the demolition of undamaged parts of the same building.
- C. The cost to demolish and clear that site of undamaged parts of the same building that has sustained a **covered cause of loss** as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged parts of the same building.

**Ordinance or Law**, as used in this Coverage Extension, is an **ordinance or law**, that regulates the construction or repair of buildings or established zoning or land use requirements at the described premises and is in force at the time of **loss**.

**Ordinance or Law** Coverage Extension does not apply to:

- A. Costs due to **ordinance or law** that you were required to comply with before the **loss**, even when the building was undamaged;
- B. Costs due to **ordinance or law** that you failed to comply with;
- C. The enforcement of or compliance with any **ordinance or law** which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by asbestos, **pollutants** or lead or due to the presence, growth, proliferation, spread or any activity of **fungus**, wet or dry rot or bacteria;
- D. Any costs associated with the enforcement of or compliance with an **ordinance or law** which requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of asbestos, **pollutants**, lead, **fungus**, wet or dry rot or bacteria;
- E. The increased cost of construction until the property is actually repaired or replaced at the same or another premises; or
- F. The increased cost of construction unless the repair or replacement commences within 2 years of the date of the **covered cause of loss**.

7. POLLUTANT CLEAN-UP AND REMOVAL

To extract **pollutants** from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused by or results from a **covered cause of loss** that occurs during the **policy period**. These expenses must be known to the **insured** within 180 days of the date of the **covered cause of loss**. This Coverage Extension does not, however, include any testing or monitoring expense incurred in connection with actual, threatened or potential **pollutants**.

8. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

- A. Your new buildings while being built at the described premises; and
- B. Buildings you acquire at locations, other than the described premises.
- C. Personal Property that you newly acquire.

You must report newly acquired or constructed property values that exceed the Reporting Limit stated in the Common Policy Declarations within 90 days of acquisition or commencement of construction. We may charge you additional premium for the additional values reported to us from the date you acquire or begin construction until the end of the **policy period**.

9. CIVIL AUTHORITY

When a **covered cause of loss** causes damage to property other than property at the described premises, we will pay for the actual loss of **business income** you sustain and necessary **extra expense** caused by action of civil authority that prohibits access to the described premises.

This coverage will apply for a period of up to 30 consecutive days from the date of the civil authority action.

10. GREEN UPDATES COVERAGE

When a **covered cause of loss** causes damage to **covered property** we will pay for the increased cost of the **loss** to provide for **green updates** as follows. In the event a loss for which it is determined that it is necessary to replace a building component (such as a roof) or a building system (such as a heating system), such replacement:

- A. Is limited to replacement of the damaged building component or system with a green building component or system which serves the same primary function as the damaged property; and
- B. Does not extend to modification or replacement of any other building component or system, except the repair or replacement of property that is necessarily damaged or destroyed in the course of replacing the damaged building component or system.

Green Updates Coverage will not be paid until the property is actually repaired or replaced at the same or another premises and unless the repair or replacement commences within 2 years of the date of the **covered cause of loss**.

ADDITIONAL COVERAGES

We will indemnify you for the additional costs outlined below, in addition to the value of the **covered property** listed on the Schedule of Values on file with us, subject to the Limit of Insurance for Property Coverage shown in the Declarations:

1. FIRE DEPARTMENT SERVICE CHARGE

When the fire department is called to save or protect **covered property** from a **covered cause of loss**. This Additional Coverage applies to your liability for fire department service charges:

- A. Assumed by contract or agreement prior to the **loss**; or
- B. Required by local ordinance.

2. EXTENSION OF RECOVERY PERIOD

If the necessary **suspension** of your **operations** produces a **business income loss** payable under this policy, we will pay for the actual loss of **business income** you sustain for up to 90 days following the end of the **period of restoration**.

However, the Extension of Recovery Period does not apply to loss of **business income** incurred as a result of unfavorable business conditions caused by the impact of the **covered cause of loss** in the area where the described premises are located.

Loss of **business income** must be caused by direct physical **loss** or damage at the described premises caused by or resulting from any **covered cause of loss**.

## EXCLUSIONS

In addition to the Common Policy Exclusions, this coverage part is subject to the following exclusions:

1. Any **loss** which is covered under any other Coverage Part of this policy, whether or not a limit is stated in the Limits of Insurance Schedule of the Common Policy Declarations
2. This insurance does not apply to **loss** or damage caused directly or indirectly by any of the following. Such **loss** or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **loss**:
  - A. Any **loss** which is covered under any other Coverage Part of this policy, whether or not a limit is stated in the Limits of Insurance Schedule of the Common Policy Declarations.
  - B. The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:
    - 1) Originates away from the described premises; or
    - 2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

For the purposes of this exclusion, communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

- C. **Flood** that occurs in any Flood Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, Zones V1-V30 or to any other Flood Zone with a designation that begins with the letters A or V.
3. We will not pay for **loss** or damage caused by or resulting from any of the following:
    - A. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
      - 1) Electrical or electronic wire, device, appliance, system or network; or
      - 2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to:

- a. Electrical current, including arcing;
- b. Electrical charge produced or conducted by a magnetic or electromagnetic field;
- c. Pulse of electromagnetic energy; or
- d. Electromagnetic waves or microwaves.

But if fire results, we will pay for the **loss** or damage caused by that fire.

- B. Delay, **loss of use** or loss of market;
- C. Wear and tear;
- D. Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- E. Smog;
- F. Settling, cracking, shrinking or expansion;
- G. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

- H. Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the **loss** or damage caused by that elevator collision.

We will not pay for the following causes of **loss** to personal property:

- I. **Loss** or damage to personal property caused by dampness or dryness of atmosphere;
- J. **Loss** or damage to personal property caused by changes in or extremes of temperature; or
- K. **Loss** or damage to personal property caused by marring or scratching.

But if an excluded cause of **loss** that is listed in 3.C. through K. results in a **specified cause of loss** or building glass breakage, the **loss** or damage caused by that **specified cause of loss** or building glass breakage will be covered.

- L. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, the **loss** or damage caused by that fire or combustion explosion will be covered. **Loss** or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass will also be covered.
- M. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- N. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - 1) You do your best to maintain heat in the building or structure; or
  - 2) You drain the equipment and shut off the supply if the heat is not maintained.
- O. Dishonest or criminal act (including **theft**) by you, any of your partners, members, officers, managers, **employees, temporary workers, leased workers**, volunteers, directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by person to whom you entrust the property for any purpose, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- 1) Applies whether or not an act occurs during your normal hours of operation;
  - 2) Does not apply to acts of destruction by your **employees, temporary workers, leased workers**, volunteers or authorized representatives; but **theft** by your **employees, temporary workers, leased workers**, volunteers or authorized representatives is not covered.
- P. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
  - Q. Rain, snow, ice or sleet to personal property in the open.
  - R. Neglect of an **insured** to use all reasonable means to save and preserve property from further damage at and after the time of **loss**.
- 4. We will not pay for **loss** or damage caused by or resulting from any of the following:
    - A. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
    - B. Faulty, inadequate or defective:

- 1) Planning, zoning, development, surveying, siting;
- 2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) Materials used in repair, construction, renovation or remodeling; or
- 4) Maintenance;

of part or all of any property located on or off the premises listed in the Statement of Values on file with us.

- C. **Loss** or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power. However, if the failure or surge of power or the failure of communication, water or other utility service, results in a **covered cause of loss**, we will pay for the **loss** or damage caused by that **covered cause of loss**.

But if an excluded cause of **loss** that is listed above results in a **covered cause of loss**, we will pay for the **loss** or damage caused by that **covered cause of loss**.

5. The following exclusions apply only to **business income** and **extra expense**:

We will not pay for:

Any **loss** caused by or resulting from:

- A. Damage or destruction of **finished stock**; or
- B. The time required to reproduce **finished stock**. This exclusion does not apply to **extra expense**.
- C. Any **loss** caused by or resulting from direct physical **loss** or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- D. Any increase of **loss** caused by or resulting from:
  - 1) Delay in rebuilding, repairing or replacing the property or resuming **operations**, due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - 2) **Suspension**, lapse or cancellation of any license, lease or contract. But if the **suspension**, lapse or cancellation is directly caused by the **suspension** of **operations**, we will cover such **loss** that affects your **business income** during the **period of restoration** and any extension of the **period of restoration** in accordance with the terms of the extended **business income** additional coverage.
- E. Any **extra expense** caused by or resulting from **suspension**, lapse or cancellation of any license, lease or contract beyond the **period of restoration**.
- F. Weather Conditions.

6. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any **loss** that is a consequence of **loss** or damage as described and limited in this section:

- A. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- B. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.



- C. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice sand or dust, whether driven by wind or not, unless
  - 1) The building or structure first sustains damage by a **covered cause of loss** to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - 2) The **loss** or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- D. Property that is missing, where the only evidence of the **loss** or damage is a shortage disclosed by taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- E. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- F. Lawns, trees, or shrubs, or plants which are part of a vegetated roof, caused by or resulting from:
  - 1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - 2) Changes in or extremes of temperature;
  - 3) Disease;
  - 4) Frost or hail; or
  - 5) Rain, snow, ice or sleet.
- G. We will not pay for loss of or damage to the following types of property unless caused by a **specified cause of loss** or building glass breakage:
  - 1) Animals.
  - 2) Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - a. Glass; or
    - b. Containers of property held for sale.

#### LIMIT OF INSURANCE

- 1. The most we will pay for all **loss** and **claim expense** resulting from a **covered cause of loss**, inclusive of Excess Sublimits of Insurance, is the Property Per Loss limit shown in the Common Policy Declarations.
- 2. The most we will pay for all **losses** from **earthquake** or **flood** occurring during the **policy period** is limited to the Annual Aggregate Limit for **earthquake** or **flood** shown in the Common Policy Declarations.
- 3. If any **loss** is covered under more than one Insuring Agreement of this Coverage Part, the most we will pay for such **loss** shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements.

## SELF-INSURED RETENTION

1. Our obligation to indemnify the **insured** applies only when, and to the extent that, the amount of **loss** exceeds the Self-Insured Retention amount stated in the Common Policy Declarations per **loss**.
2. The Self-Insured Retention amount stated in the Common Policy Declarations applies to all damages sustained for any one loss to which this insurance applies.

## DEFINITIONS

In addition to the Common Policy Definitions, the following definitions apply to this Coverage Part only:

1. **Business income** means the:
  - A. Net income (net profit or **loss** before income taxes) that would have been earned or incurred;  
and
  - B. Continuing normal operating expenses incurred, including payroll.
  - C. **Business income** includes **rental value** and **tuition and fees**.
2. **Covered cause of loss** means any cause of **loss** not otherwise excluded.
3. **Covered property** means:
  - A. Building, meaning the building or structure described in the Statement of Values on file with us, including:
    - 1) Completed additions;
    - 2) Fixtures, including outdoor fixtures;
    - 3) Permanently installed:
      - a. Machinery; and
      - b. Equipment;
    - 4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
      - a. Fire-extinguishing equipment;
      - b. Outdoor furniture;
      - c. Floor coverings; and
      - d. Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
    - 5) If not covered by other insurance:
      - a. Additions under construction, alterations and repairs to the building or structure;
      - b. Materials, equipment, supplies and temporary structures, you own, used for making additions, alterations or repairs to the building or structure.
  - B. Your Personal Property consisting of the following:
    - 1) Furniture and fixtures;
    - 2) Machinery and equipment;
    - 3) **Stock**;
    - 4) All other personal property owned by you and used in your business;
    - 5) Labor, materials or services furnished or arranged by you on **personal property of others**;

- 6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
    - a. Made a part of the building or structure you occupy but do not own; and
    - b. You acquired or made at your expense but cannot legally remove;
  - 7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under **personal property of others**.
- C. **Covered property** does not include the following, unless specifically listed on the Statement of Values on file with us:
- 1) Accounts, bills, currency, food stamps or other evidences of debt, **money**, notes or **securities**. Lottery tickets held for sale are not **securities**;
  - 2) Animals, unless owned by others and boarded by you, or if owned by you, only as **stock** while inside of buildings;
  - 3) **Automobiles** held for sale;
  - 4) Bridges, roadways, walks, patios or other paved surfaces;
  - 5) Contraband, or property in the course of illegal transportation or trade, unless held as evidence by law enforcement;
  - 6) The cost of excavations, grading, backfilling or filling;
  - 7) Foundations of buildings, structures, machinery or boilers if their foundations are below:
    - a. The lowest basement floor; or
    - b. The surface of the ground, if there is no basement;
  - 8) Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
  - 9) Personal property while airborne or waterborne;
  - 10) Bulkheads, pilings, piers, wharves or docks;
  - 11) Property that is covered under another Coverage Part of this policy or any other insurance policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
  - 12) Retaining walls that are not part of a building;
  - 13) Underground pipes, flues or drains;
  - 14) Vehicles or self-propelled machines (including aircraft or watercraft) that:
    - a. Are licensed for use on public roads; or
    - b. Are operated principally away from the premises listed in the Statement of Values on file with us.
  - 15) The following property while outside of buildings:
    - a. Grain, hay, straw or other crops;
    - b. Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are **stock** or are part of a vegetated roof).
4. **Earthquake** means seismic geologic activity which causes movement in the earth's surface including **loss** or damage from any other cause that contributes concurrently or in any sequence to a **loss**,

except direct **loss** to **covered property** caused by an ensuing fire or explosion. All **earthquake** shocks that occur within any concurrent 168-hour period are considered a single **earthquake**.

5. **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 **covered property** caused by or resulting from a **covered cause of loss**.
6. **Finished stock** means **stock** you have manufactured.
7. **Flood** means waves, surge, storm surge, tide or tidal waters, accumulation and movement of rain, melting snow, melting ice, run off, rising, overflowing or breaking the banks, boundaries, berms, retaining walls or levees of any body of water, whether the body of water is natural or made by man.
8. **Green update** means those materials and products that are recognized by a **Green standards setter** as green.
9. **Green standards setter** means an organization or governmental agency which produces and maintains guidelines related to Green products and practices. **Green standards setters** include, but are not limited to:
  - A. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
  - B. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
  - C. Green Globes™, a program of the Green Building Initiative.
10. **Named windstorm** means a storm system or its remnants that has been declared to be a tropical depression, tropical storm, hurricane, or cyclone by the National Hurricane Weather Service, or that constitutes a post-tropical storm. **Named windstorm** includes any wind, hail or rain damage occurring for three days after the **named windstorm** has last made landfall.
11. **Operations** means:
  - A. Your business activities, occurring at the described premises, including **tuition and fees** from students, including fees from room, board, laboratories, bookstores, athletic events, activity related to research grants, or business activities other than those which generate **tuition and fees** from students.
  - B. The tenantability of the described premises.
12. **Period of restoration** means the period of time that:
  - A. Begins:
    - 1) Immediately after the time of direct physical **loss** or damage caused by or resulting from any **covered cause of loss** at the described premises; and
  - B. Ends on the earlier of:
    - 1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - 2) The date when business is resumed at a new permanent location.

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

- A. Regulates the construction, use or repair, or requires the tearing down of any property; or
- B. Requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify, 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**.

13. **Rental value** means **business income** that consists of:
- A. Net income (net profit or **loss** before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Statement of Values on file with us as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - B. Continuing normal operating expenses incurred in connection with that premises, including:
    - 1) Payroll; and
    - 2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
14. **Specified Cause of Loss** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
- A. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of **loss** does not include:
    - 1) The cost of filling sinkholes; or
    - 2) Sinking or collapse of land into manmade underground cavities.
  - B. Falling objects does not include **loss** or damage to:
    - 1) Personal property in the open; or
    - 2) The interior of a building or structure, or property inside of a building or structure, unless the roof of an outside wall of the building or structure is first damaged by a falling object.
  - C. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.
15. **Stock** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing and shipping.
16. **Suspension** means:
- A. The slowdown or cessation of your business activities; or
  - B. That a part or all of the described premises is rendered untenable.
17. **Tuition and fees** means income from educational services and related activities including:
- A. Laboratory fees;
  - B. Bookstores;
  - C. Athletic events; and
  - D. Research grants.
18. **Valuable papers and records** means proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems.
19. **Volcanic action** means direct **loss** or damage resulting from the eruption of a volcano when the **loss** or damage is caused by:
- A. Airborne volcanic blast or airborne shock waves;
  - B. Ash, dust or particulate matter; or
  - C. Lava flow.

With respect to coverage for **volcanic action** as set forth above, all volcanic eruptions that occur within any 168-hour period will constitute a single **occurrence**.

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

## CONDITIONS

### 1. LEGAL ACTION AGAINST US

You may not bring any legal action against us involving a **loss**;

- A. Unless you have complied with all the terms and conditions of this insurance;
- B. Until 90 days after you have filed a proof of **loss** with us; and
- C. Unless brought within two years from the date you discovered the **loss**.

### 2. ABANDONMENT

There can be no abandonment of any property to us.

### 3. VALUATION

#### A. For **covered property**

- 1) The value will be the least of the following amounts:
  - a. The value of lost or damaged property;
  - b. The cost of reasonably restoring the property to its condition immediately before **loss** or damage;
  - c. The cost of replacing the property with substantially identical property;
  - d. Your financial interest in the property; or
  - e. The Limit of Insurance shown for Property Coverage in the Common Policy Declarations.
- 2) The cost to repair, rebuild or replace does not include the cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of the property, unless you have a Sublimit of Insurance Limit stated in the Common Policy Declarations for ORDINANCE OR LAW.

#### B. For **business income**

The value will be the actual loss of **business income** you incur during the period that:

- 1) Begins on the date of a **covered cause of loss** or damage to property listed in the Statement of Values on file with us; and
- 2) Ends on the date you could restore your **operations**, with reasonable speed, to the level which would generate the **business income** amount that would have existed if no direct physical **loss** or damage had occurred.

However, **business income** does not apply to loss of income incurred as a result of unfavorable business conditions caused by the impact of the **covered cause of loss** in the area where the described premises are located.

#### C. For **rental value**

The value will be the actual loss of **rental value** you incur during the period that:

- 1) Begins on the date of a **covered cause of loss** or damage to property listed in the Statement of Values on file with us; and

- 2) Ends on the date you could restore tenant occupancy, with reasonable speed, to the level which would generate the **rental value** that would have existed if no direct physical **loss** or damage had occurred.

However, **rental value** does not apply to loss of income incurred as a result of unfavorable business conditions caused by the impact of the **covered cause of loss** in the area where the described premises are located.

D. For **electronic data**

The value will be the cost of restoration or replacement, including the cost of data entry, reprogramming and computer consultation services. It will also include the cost to duplicate research that led to the development of your **electronic data** or any proprietary or confidential information or intellectual property in any form. To the extent that **electronic data** is not replaced or restored, the **loss** will be valued at the cost of replacement of the media on which the **electronic data** was stored, with blank media of substantially identical type. The amount of **loss** will be reduced by the amount recovered from a licensor or lessor, for **loss** or damage to **electronic data**.

4. PAIR AND SET CLAUSE

In the case of **loss** or damage to any part of a pair, set or parts we may:

- A. Repair or replace any part to restore the pair or set to its value before the **loss** or damage.
- B. Pay the difference between the value of the pair or set before and after the **loss** or damage;  
or
- C. If the property consists of several parts when complete, we will only pay for the value of the lost or damaged part.

5. LOSS DETERMINATION

A. The amount of **business income loss** will be determined based on:

- 1) The net income of the business before the direct physical **loss** or damage occurred;
- 2) The likely net income of the business if no physical **loss** or damage had occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the **covered cause of loss** on customers or on other businesses;
- 3) The operating expenses, including payroll expenses, necessary to resume **operations** with the same quality of service that existed just before the direct physical **loss** or damage; and
- 4) Other relevant sources of information, including:
  - a. Your financial records and accounting procedures;
  - b. Bills, invoices and other vouchers; and
  - c. Deeds, liens or contracts.

B. The amount of **extra expense** will be determined based on:

- 1) All expenses that exceed the normal operating expenses that would have been incurred by **operations** during the **period of restoration** if no direct physical **loss** or damage had occurred. We will deduct from the total of such expenses:
  - a. The salvage value that remains of any property bought for temporary use during the **period of restoration**, once **operations** are resumed; and
  - b. Any **extra expense** that is paid for by other insurance; and

- 2) Necessary expenses that reduce the **business income loss** that otherwise would have been incurred.
- C. We will reduce the amount of your:
- 1) **Business income loss**, other than **extra expense**, to the extent you can resume your **operations**, in whole or in part, by using damaged or undamaged property (including merchandise or **stock**) at the described premises or elsewhere.
  - 2) **Extra expense loss** to the extent you can return **operations** to normal and discontinue such **extra expense**.
- D. If you do not resume **operations**, or do not resume **operations** as quickly as possible, we will pay based on the length of time it would have taken to resume **operations** as quickly as possible.

6. VACANCY

If a building where **loss** or damage occurs has been vacant for more than 90 consecutive days before that **loss** or damage occurs, we will not pay for any **loss** or damage caused by any of the following:

- A. Vandalism;
- B. Sprinkler leakage, unless you have protected the system against freezing;
- C. Glass breakage;
- D. Water damage;
- E. **Theft** or attempted **theft**.

A building will be considered vacant if it does not contain enough personal property to conduct customary **operations** or more than 40% of the building's square footage is not occupied and used for customary **operations**.

A building is not considered vacant if it is under construction or renovation.



**SELF-INSURED PACKAGE POLICY  
CRIME COVERAGE PART**

INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Common Policy Declarations and applies to **loss** that you sustain taking place at any time which is **discovered** by you during the **policy period** shown in the Common Policy Declarations or during the period of time provided in the Extended Period to Discover Loss.

1. MONEY AND SECURITIES

We will indemnify you for:

- A. Loss of or damage to **money** and **securities** inside the **premises** or **financial institution premises**:
  - 1) Resulting directly from **theft** committed by a person present inside such **premises** or **financial institution premises**; or
  - 2) Resulting directly from disappearance or destruction.
- B. **Loss** from damage to the **premises** or its exterior resulting directly from an actual or attempted **theft** of **money** and **securities**, if you are the owner of the **premises** or are liable for damage to it.
- C. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **premises** resulting directly from an actual or attempted **theft** of, or unlawful entry into, those containers.
- D. Loss of **money** and **securities** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from **theft**, disappearance or destruction.
- E. Loss of **money** and **securities** resulting directly from a fraudulent:
  - 1) Entry of **electronic data** or **computer program** into; or
  - 2) Change of **electronic data** or **computer program** within;  
any **computer system** owned, leased or operated by you. Fraudulent entry and fraudulent change of **electronic data** or **computer program** shall include such entry or change made by an **employee** acting, in good faith, upon a **fraudulent instruction** received from a computer software contractor who has a written agreement with you to design, implement or service **computer programs** for a **computer system** covered under this Insuring Agreement.
- F. Loss of **money** and **securities** resulting directly from a **fraudulent instruction** directing a financial institution to debit your **transfer account** and transfer, pay or deliver **money** or **securities** from that account.

2. FORGERY OR ALTERATION

We will indemnify you for:

- A. **Loss** resulting directly from **forgery** or alteration of checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in **money** that is:
  - 1) Made or drawn by or drawn upon you; or
  - 2) Made or drawn by one acting as your agent; or

- 3) Purported to have been so made or drawn.
- B. **Loss** resulting directly from your having, in good faith, accepted, in exchange for merchandise, **money** or services:
  - 1) Money orders issued by any post office, express company or financial institution that are not paid upon presentation; or
  - 2) **Counterfeit money** that is acquired during the regular course of business.
3. EMPLOYEE DISHONESTY  
We will indemnify you for loss of or damage to **money**, **securities** and **other property** resulting directly from **theft** committed by an **employee**, whether identified or not, acting alone or in collusion with other persons. For the purposes of this Insuring Agreement, **theft** shall also include **forgery**.

#### EXCLUSIONS

In addition to the Common Policy Exclusions this insurance does not apply to any of the following:

1. Any **loss** which is covered under any other Coverage Part of this policy, whether or not a limit is stated in the Limits of Insurance Schedule of the Common Policy Declarations.
2. **Loss** resulting from **theft** or any other dishonest act committed by you, whether acting alone or in collusion with other persons.
3. **Loss** caused by an **employee** if the **employee** had also committed **theft** or any other dishonest act prior to the effective date of this insurance and you or any of your officials, not in collusion with the **employee**, learned of such **theft** or dishonest act prior to the **policy period** shown in the Common Policy Declarations.
4. **Loss** resulting from **theft** or any other dishonest act committed by any of your officials, **employees** or authorized representatives:
  - A. Whether acting alone or in collusion with other persons; or
  - B. While performing services for you or otherwise;except when covered under the Employee Dishonesty Insuring Agreement.
5. **Loss** resulting from:
  - A. The disclosure of your or another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
  - B. The use of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.
6. Costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

7. **Loss** that is an indirect result of any act covered by this insurance including, but not limited to, **loss** resulting from:
  - A. Your inability to realize income that you would have realized had there been no loss of or damage to **money, securities or other property**;
  - B. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a **loss** covered under this insurance; or
  - C. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of **loss** under this insurance.
  
8. Fees, costs and expenses incurred by you which are related to any legal action, except when covered under the Forgery or Alteration Insuring Agreement.
  
9. **Loss**, or that part of any **loss**, the proof of which as to its existence or amount is dependent upon:
  - A. An inventory computation; or
  - B. A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a **loss**, then you may offer your inventory records and actual physical count of inventory in support of the amount of **loss** claimed.
  
10. **Loss** resulting from trading, whether in your name or in a genuine or fictitious account.
  
11. **Loss** resulting from accounting or arithmetical errors or omissions.
  
12. Loss of property contained in any **money** operated device unless the amount of **money** deposited in it is recorded by a continuous recording instrument in the device.
  
13. Loss of or damage to property after it has been transferred or surrendered to a person or place outside the **premises or financial institution premises**:
  - A. On the basis of unauthorized instructions; or
  - B. As a result of a threat including, but not limited to:
    - 1) A threat to do bodily harm to any person;
    - 2) A threat to do damage to any property;
    - 3) A threat to introduce a denial of service attack into any **computer system**;
    - 4) A threat to introduce a virus or other malicious instruction into any **computer system** which is designed to damage, destroy or corrupt **electronic data or computer programs** stored within the **computer system**; or
    - 5) A threat to disseminate, divulge or utilize:
      - a. Your confidential information;
      - b. Confidential or personal information of another person or organization; or
      - c. Weaknesses in the source code within any **computer system**.
  - C. But, this exclusion does not apply to loss of **money or securities** while outside the **premises** in the care and custody of a **messenger** if you:
    - 1) Had no knowledge of any threat at the time the conveyance began; or

- 2) Had knowledge of a threat at the time the conveyance began, but the **loss** was not related to the threat.
14. **Loss** from damage to the **premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **other property** by vandalism or malicious mischief.
15. **Loss** resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

#### LIMIT OF INSURANCE

1. The most we will pay for any **loss** or series of related **losses** and **claim expense** is the applicable Limit of Insurance shown in the Common Policy Declarations for Crime.
2. If any **loss** is covered under more than one Insuring Agreement of this Coverage Part, the most we will pay for such **loss** shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements.

#### SELF-INSURED RETENTIONS

1. Our obligation to indemnify the **insured** applies when any **loss** or series of related **losses** and **claim expense** exceeds the Self-Insured Retention amount stated in the Common Policy Declarations per **loss**.
2. The Self-Insured Retention amount stated in the Common Policy Declarations applies to all damages sustained for any one **loss** to which this insurance applies.

#### DEFINITIONS

In addition to the Common Policy Definitions, the following definitions apply to this Coverage Part only:

1. **Computer system** means:
  - A. Computers, including Personal Digital Assistants (PDAs), smartphones and other transportable or handheld devices, electronic storage devices and related peripheral components;
  - B. Systems and applications software; and
  - C. Related communications networks;by which **electronic data** is collected, transmitted, processed, stored or retrieved.
2. **Counterfeit money** means an imitation of **money** which is intended to deceive and to be taken as genuine.
3. **Discover** or **discovered** means the time when you or any of your **employees** first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such **loss** occurred, even though the exact amount or details of **loss** may not then be known.  
**Discover** or **discovered** also means the time when you or any of your **employees** first receive notice of an actual or potential **claim** in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a **loss** under this insurance.
4. **Financial institution premises** means the interior of that portion of any building occupied by a financial institution.

5. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
6. **Fraudulent instruction** means:
  - A. A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instruction directing a financial institution to debit your **transfer account** and to transfer, pay or deliver **money** or **securities** from that **transfer account**, which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent.
  - B. A written instruction issued to a financial institution directing the financial institution to debit your **transfer account** and to transfer, pay or deliver **money** or **securities** from that **transfer account**, through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
  - C. A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic or written instruction initially received by you, which instruction purports to have been issued by an **employee**, but which in fact was fraudulently issued by someone else without your or the **employee's** knowledge or consent.
  - D. A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic, written or voice instruction directing an **employee** to enter or change **electronic data** or **computer programs** within a **computer system** covered under this Coverage, which instruction in fact was fraudulently issued by your computer software contractor.
7. **Messenger** means you or any **employee** while having care and custody of property outside the **premises**.
8. **Other property** means any tangible property other than **money** and **securities** that has intrinsic value. **Other property** does not include **computer programs**, **electronic data** or any property specifically excluded under this insurance.
9. **Premises** means the interior of that portion of any building you occupy in conducting your business.
10. **Transfer account** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of **money** or **securities**:
  - A. By means of computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instructions; or
  - B. By means of written instruction establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

CONDITIONS

In addition to the Common Policy Conditions the following Conditions also apply:

1. EXTENDED PERIOD TO DISCOVER LOSS

We will indemnify you for **loss** that you sustained prior to the effective date of termination or cancellation of this insurance, which is **discovered** by you no later than 60 days from the date of that termination or cancellation.

However, this extended period to **discover loss** terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for **loss** sustained prior to its effective date.

2. OWNERSHIP OF PROPERTY OR INTERESTS COVERED

The property covered under this insurance is limited to property:

- A. That you own or lease;
- B. That is held by you in any capacity; or
- C. For which you are legally liable, provided you were liable for the property prior to the time the **loss** was sustained.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any **claim** for **loss** that is covered under this insurance must be presented by you.

3. POLICY BRIDGE – DISCOVERY REPLACING LOSS SUSTAINED

If this insurance replaces insurance that provided you with an extended period of time after cancellation in which to **discover loss** and which did not terminate at the time this insurance became effective:

- A. We will not pay for any **loss** that occurred during the **policy period** of that prior insurance which is **discovered** by you during such extended period to **discover loss**, unless the amount of **loss** exceeds the Limit of Insurance of that prior insurance. In that case, we will pay for the excess **loss** subject to the terms and conditions of this insurance.
- B. However, any payment we make for the excess **loss** will not be greater than the difference between the Limit of Insurance of that prior insurance and the Limit of Insurance shown in the Common Policy Declarations. We will not apply the Self-Insured Retention shown in the Common Policy Declarations to this excess **loss**.

4. VALUATION

The value of any **loss** for purposes under this Coverage Part shall be determined as follows:

- A. **Money** – up to and including its face value.
- B. **Securities** – up to and including their face value at the close of business on the day the **loss** was **discovered**, or the cost to replace the **security** if the cost to replace the **security** is not more than the face value at the close of business on the day the **loss** was **discovered**.
- C. Manuscripts, drawings, or records of any kind – up to the appraised value or the cost of reconstructing them or reproducing any information contained in them.

D. Property Other than **Money** and **Securities** – the replacement cost of the property without deduction for depreciation. However we will not pay more than the cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or the amount you actually spend that is necessary to repair or replace the lost or damaged property.

5. TERMINATION AS TO ANY EMPLOYEE

Coverage terminates as to any **employee** as soon as you or any of your officials or anyone you employ who is authorized to manage, govern or control your **employees**, not in collusion with the **employee**, learn of a **theft** or any other dishonest act committed by the **employee** whether before or after becoming employed by you.

6. ELECTRONIC AND MECHANICAL SIGNATURES

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

7. PROOF OF LOSS

You must include with your proof of **loss** any instrument involved in that **loss** or, if that is not possible, an affidavit setting forth the amount and cause of **loss**.

8. ARMORED MOTOR VEHICLE COMPANIES

We will only pay for the amount of **loss** you cannot recover under your contract with the armored motor vehicle company or from any insurance carried by or for the benefit of customers of, the armored motor vehicle company.

9. LEGAL ACTION AGAINST US

You may not bring any legal action against us involving a **loss**;

- A. Unless you have complied with all of the terms and conditions of this insurance;
- B. Until 90 days after you have filed a proof of **loss** with us; and
- C. Unless brought within two years from the date you discovered the **loss**.

**SELF-INSURED PACKAGE POLICY  
AUTOMOBILE COVERAGE PART**

INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Common Policy Declarations and applies to **loss** that you sustain resulting from an accident that takes place during the **policy period** shown in the Common Policy Declarations.

1. AUTOMOBILE LIABILITY COVERAGE

We will indemnify you for all sums an **insured** legally must pay as damages or **claim expense** because of **bodily injury, personal injury or property damage** to which this insurance applies, caused by an accident resulting from the ownership, maintenance or use of a **covered automobile**.

2. GARAGEKEEPERS' LEGAL LIABILITY COVERAGE

We will indemnify you all sums an **insured** legally must pay as damages or **claim expense** for **loss** to a **customer's automobile** or **customer's automobile** equipment left in the **insured's** care while the **insured** is attending, servicing, repairing, parking or storing it in your **garage operations**.

3. AUTOMOBILE PHYSICAL DAMAGE COVERAGE

We will pay for **loss** to an **automobile** or its equipment you own, lease, rent or are legally responsible for.

We will pay for rental reimbursement expenses incurred by you for the rental of an **automobile** because of **loss** to an **automobile**. We will pay for temporary rental reimbursement expenses incurred during the period after the **loss** and ending, regardless of the policy's expiration, when the **automobile** is repaired or replaced and returned to you or we pay for its **loss**.

4. MEDICAL PAYMENTS COVERAGE

We will indemnify you for all reasonable expenses you incur for necessary medical and funeral services to or for anyone **occupying a covered automobile** who sustains **bodily injury** caused by an accident. We will pay only those expenses incurred, for services rendered within three years from the date of the accident. Medical payments includes reasonable expenses for first aid, necessary medical, surgical, X-ray and dental services, hospital, professional nursing care and ambulance, including life flight expenses.

WHO IS AN INSURED

1. You for any **covered automobile, customer's automobiles** and **customer's automobile** equipment;
2. Anyone else while using with your permission a **covered automobile** you own, hire or borrow except:
  - A. Someone using an **automobile** while he or she is working in a business of selling, servicing, repairing, parking or storing **automobiles** unless that business is yours; or
  - B. Anyone other than your **employees** while moving property to or from a **covered automobile**; and
3. Anyone liable for the conduct of an **insured** described above, but only to the extent of that liability.



## EXCLUSIONS

In addition to the Common Policy Exclusions this insurance does not apply to any of the following:

1. Any **loss** which is covered under any other Coverage Part of this policy, whether or not a limit is stated in the Limits of Insurance Schedule of the Common Policy Declarations.
2. **Bodily injury, personal injury or property damage** expected or intended from the standpoint of the **insured**.

This exclusion does not apply to:

- A. **Bodily injury** resulting from the use of reasonable force to protect persons or property; or
  - B. **Bodily injury** resulting from the use of corporal punishment, unless the use of corporal punishment is prohibited by law.
3. **Bodily injury** to:
    - A. An **employee** of the **insured** arising out of and in the course of:
      - 1) Employment by the **insured**; or
      - 2) Performing the duties related to the conduct of the **insured's** business; or
    - B. The spouse, child, parent, brother or sister of that **employee** as a consequence of Paragraph A. above.
    - C. This exclusion applies:
      - 1) Whether the **insured** may be liable as an employer or in any other capacity; and
      - 2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
  4. **Bodily injury** to:
    - A. Any fellow **employee** of the **insured** arising out of and in the course of the fellow **employee's** employment or while performing duties related to the conduct of your business; or
    - B. The spouse, child, parent, brother or sister of that fellow **employee** as a consequence of Paragraph A. above.
  5. **Property damage** to property owned or transported by the **insured** or in the **insured's** care, custody or control. This exclusion does not apply to **property damage** to property of the **insured's** passengers while such property is carried by an **automobile**.
  6. Any **automobile** while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that **automobile** is being prepared for such a contest or activity.
  7. **Loss** due to **theft** or conversion caused in any way by any **insured** to a **customer's automobile** or **customer's automobile** equipment.
  8. **Loss** due to defective parts or materials used in or on a **customer's automobile**.
  9. Faulty work, performed by an **insured**, in or on a **customer's automobile**.
  10. **Loss**, cost or expense arising out of no fault law; personal injury protection; or uninsured or underinsured motorists law unless such coverage is explicitly endorsed onto this policy.

11. **Loss** due to:
- A. Wear and tear, freezing, mechanical or electric breakdown.
  - B. Blowouts, punctures or other road damage to tires.
- This exclusion does not apply to such **loss** resulting from the total theft of a **covered automobile**.

#### LIMIT OF INSURANCE

1. Regardless of the number of **covered automobiles, insureds**, premiums paid, **claims** made or vehicles involved in the accident, the most we will pay for the total of all **loss** and **claim expense** resulting from any one accident is the Limit of Insurance for Automobile Liability shown in the Common Policy Declarations.
2. All **bodily injury, personal injury** and **property damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one accident.
3. No one will be entitled to receive duplicate payments for the same elements of **loss** under Automobile Liability Coverage, Medical Payments Coverage, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement, No-Fault Coverage endorsement or Personal Injury Protection endorsement attached to this policy.
4. The most we will pay for:
  - A. **Loss** to any one **automobile** is the lesser of:
    - 1) The actual cash value of the damaged or stolen property at the time of the **loss**; or
    - 2) The cost of repairing or replacing the damaged or stolen property with **other property** of like kind and quality.
  - B. **Loss** to any equipment that reproduces, receives or transmits audio, visual or data signals that is permanently installed in or upon an **automobile** is the lesser of:
    - 1) The actual cash value of the damaged or stolen property at the time of the **loss**; or
    - 2) The cost of repairing or replacing the damaged or stolen property with **other property** of like kind and quality.
  - C. An adjustment for depreciation and physical condition will be made in determining the actual cash value in the event of a total **loss**.
  - D. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
5. If any **loss** is covered under more than one Insuring Agreement of this Coverage Part, the most we will pay for such **loss** shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements.

#### SELF-INSURED RETENTION

1. Our obligation to indemnify the **insured** applies only when the amount of **loss** and **claim expense** exceeds the Self-Insured Retention amount stated in the Common Policy Declarations per accident.
2. The Self-Insured Retention amount stated in the Common Policy Declarations applies to all **loss** and **claim expense** sustained for any one accident to which this insurance applies.

DEFINITIONS

In addition to the Common Policy Definitions, the following definitions apply to this Coverage Part only.

1. **Covered automobile** means an **automobile**;
  - A. You own or acquire during the **policy period**;
  - B. You lease, hire, rent or borrow (this does not include an **automobile** you lease, hire, rent or borrow from any of your **employees** or their domestic partners or any other members of their households);
  - C. You do not own, lease, hire, rent or borrow that is used in conjunction with your business (this includes an **automobile** owned by any insured or members of their household but only while used in conjunction with your business).
2. **Customer's automobile** means a land motor vehicle, **trailer** or semitrailer lawfully within your possession for service, repair, storage or safekeeping, with or without the vehicle owner's knowledge or consent. A **customer's automobile** also includes any such vehicle left in your care by your **employees** and members of their households who pay for services performed.
3. **Garage operations** means the ownership, maintenance or use of locations for the purpose of a business of selling, servicing, repairing, parking or storing **customer's automobiles** and that portion of the roads or other accesses that adjoin these locations. **Garage operations** also includes all operations necessary or incidental to the performance of **garage operations**.
4. **Loss** means direct and accidental **loss** or damage and includes any resulting **loss of use**. **Loss** also means liability you incur as a result of covered **claims**.
5. **Loss of use** means the **loss** incurred by a person engaged in the business of renting or leasing vehicles that are rented or leased without a driver, or persons other than the owner, during the period of time that such vehicle is out of use because of actual damage to or loss of such vehicle.
6. **Occupying** means in, upon, getting in, on, out or off.

**SELF-INSURED PACKAGE POLICY  
AGGREGATE LOSS FUND PROTECTION**

The Self-Insured Retentions Schedule in the Common Policy Common Policy Declarations lists the Self-Insured Retentions for each Coverage Part. You are responsible for the payment of the applicable Self-Insured Retentions.

The Loss Fund identified in the Self-Insured Retentions Schedule of the Common Policy Common Policy Declarations is the amount you are responsible to pay in total Self-Insured Retentions for covered **losses** and **claim expense** for the **policy period**. If the **policy period** covers more than one year, this provision will apply separately to each year listed in the Common Policy Common Policy Declarations.

Each Self-Insured Retention payment made by you for a covered **loss** and **claim expense** for the **policy period** will contribute to the exhaustion of the Loss Fund listed in the Common Policy Declarations.

The Aggregate Loss Fund Protection Annual Aggregate Limit listed in the Limits of Insurance Schedule of the Common Policy Common Policy Declarations is the most we will pay under this Aggregate Loss Fund Protection for covered **losses** and **claim expense** for the **policy period** once the Loss Fund has been exhausted by payments by you. If the **policy period** covers more than one year, this provision will apply separately to each year listed in the Common Policy Declarations.

Each payment made by us in Self-Insured Retentions for covered **losses** and **claim expense** for the **policy period** will contribute to the exhaustion of the Aggregate Loss Fund Protection Annual Aggregate Limit.

When the Aggregate Loss Fund Protection Annual Aggregate Limit has been exhausted you will again be responsible for all Self-Insured Retentions for covered **losses** and **claim expense**.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

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

## **CLAIM NOTICE**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

In the event of a reportable claim, please notify the following:

Old Republic Specialty Insurance Underwriters  
790 Township Line Road, Suite 230  
Yardley, PA 19067  
Attn: Claims Department  
Email: [claims@orsiu.com](mailto:claims@orsiu.com)  
Phone: 215-860-4960

Additionally, the Insured shall provide a claims report to us, within ten (10) days after the end of each calendar month, of all open and closed claims submitted pertaining to the controlling underlying insurance or self-insured retention and which shall contain the following information:

Claimant, claim number, date of loss, description of loss, loss paid, expense paid, loss remaining reserve, expense remaining reserve, claim status and policy year loss fund reconciliation.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

AR SIPP 01 04 07 18

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

## **OTHER INSURANCE AND RECOVERY**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

COMMON POLICY CONDITIONS, 15. OTHER INSURANCE is amended to add the following:

You are granted permission to purchase insurance specifically in excess of the LIMITS OF INSURANCE stated on this SELF-INSURED PACKAGE POLICY'S COMMON POLICY DECLARATIONS.

COMMON POLICY CONDITIONS, 16. RECOVERY is amended to add the following:

When a recovery is received subsequent to the payment of a covered **loss**, the **loss** shall be calculated on the basis on which it would have been settled had the amount of subsequent recovery been known at the time the **loss** was originally determined.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

AR SIPP 01 05 07 18

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

## **STATUTORY REQUIREMENTS IMPOSED ON YOU**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

The following is added to COMMON POLICY CONDITIONS

STATUTORY REQUIREMENTS IMPOSED ON YOU

You, as a Named Insured or a qualified self-insurer, may be subject to specific requirements by state or federal law (including but not limited to the Medicare, Medicaid, and State Children's Health Insurance Program Extension Act of 2007). Even if you contract with a Service Organization (Claims Administrator) to handle the administration, investigation or settlement of any **loss** or **claim** covered under this policy, you are still ultimately responsible for compliance with such laws.

When by law you are designated as the Responsible Reporting Entity for compliance with such state or federal law, we will not:

1. Advise you of such laws, unless we are legally required to do so;
2. Assume any of the obligations imposed on you by such law;
3. Pay any expenses incurred by you to comply with such law;
4. Pay any penalty or fine for which you are held liable for failing to comply with such state or federal law.

Items 3. and 4. above are not considered **claim expenses**.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

AR SIPP 02 02 07 18

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

## **MOBILE EQUIPMENT AND WATERCRAFT COVERAGE**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

COMMON POLICY DEFINITIONS 1. **Automobile** is deleted in its entirety and replaced with the following:

1. **Automobile** means:

- A. Any land motor vehicle, **trailer** or semitrailer designed for travel on public roads;
- B. Any other land vehicle that is subject to compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged;
- C. Any **mobile equipment**; or
- D. Any **watercraft**.

**Watercraft** as used in this endorsement means a boat that is owned, operated, maintained or used, including loading or unloading, that is less than 50 feet in length and is not used to carry persons or property for a charge.

It is further agreed that COMMON POLICY EXCLUSION 13, is deleted in its entirety.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.



POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

AR SIPP 04 02 07 18

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

## **REPRODUCTION COST**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

PROPERTY COVERAGE PART, CONDITIONS 3. VALUATION A. For **covered property** is deleted and replaced with the following CONDITION, but only with respects to the State Capital Building at 1445 'K' Street, Lincoln, NE.

A. For **covered property** the value will be the **reproduction cost**.

**Reproduction cost** as used in this endorsement means the cost to repair, replace or restore with material of like, kind and quality compatible with those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the property, provided they are available, as nearly as possible to its original condition. However, if any materials or workmanship needed to repair, replace or restore are not reasonably available then materials and workmanship that most closely resembles the condition before the loss shall be used.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

AR SIPP 05 01 07 18

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

## **EMPLOYEE DEFINITION AMENDMENT CRIME COVERAGE**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

COMMON POLICY DEFINITIONS, 7. **Employee**, only for the CRIME COVERAGE PART, is deleted in its entirety and replaced by the following:

- A. Any natural person:
  - 1) While in your service, and for 30 days after termination of service;
  - 2) Whom you compensate directly by salary, wages or commissions;
  - 3) Whom you have the right to direct and control while performing services for you; or
  - 4) While performing acts within the scope of their employment at the District Court with the **Named Insured**.
  
- B. INSURING AGREEMENT 3. EMPLOYEE DISHONESTY of the CRIME COVERAGE PART, is amended to add the following:
  - 1) **Employee** also means any natural person while appointed, in writing, to act as an agent in your Game and Parks Commission acting on your behalf or while in possession of **other property**.
  - 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the **premises**.
  - 3) Employee does not mean any:
    - a. Agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or
    - b. Director or trustee except while performing acts within the scope of the duties of their employment of the **Named Insured**.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

AR SIPP 06 06 07 18

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

## **AUTOMOBILE LIABILITY AND AUTOMOBILE PHYSICAL DAMAGE FOR SPECIFIED VEHICLES**

This endorsement modifies the insurance provided under the following:

### **SELF-INSURED PACKAGE POLICY**

The following two vehicles are covered automobiles under the AUTOMOBILE COVERAGE PART, INSURING AGREEMENT 1. AUTOMOBILE LIABILITY COVERAGE, and INSURING AGREEMENT 3. AUTOMOBILE PHYSICAL DAMAGE COVERAGE.

#### **Division 15**

Vehicle Description: 2016 Dodge Caravan MPA  
Serial Number: C7WDGBG2GR195507  
Garage Location: Norfolk, NE  
New Cost: \$36,000

And

#### **Division 18**

Vehicle Description: 2016 Dodge Grand Caravan MPA  
Serial Number: 2C7WDGBG2GR195510  
Garage Location: Scottsbluff, NE  
New Cost: \$36,000

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

AR SIPP 06 07 07 18

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

## **NEBRASKA UNINSURED AND UNDERINSURED MOTORISTS COVERAGE**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **SCHEDULE**

<b>Limit of Liability</b>	
<b>Bodily Injury:</b>	<b>\$ 25,000 Each Person</b>
	<b>\$ 50,000 Each Accident</b>

#### **A. Coverage**

1. We will pay all sums the **insured** is legally entitled to recover as compensatory damages from the owner or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**. The damages must result from **bodily injury** sustained by the **insured** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an **uninsured motor vehicle** or **underinsured motor vehicle**.
2. With respect to damages resulting from an **accident** with an **underinsured motor vehicle**, we will pay under this coverage only if Paragraph **a.** or **b.** below applies:
  - a. The limits of any applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or
  - b. A tentative settlement has been made between an **insured** and the insurer of the **underinsured motor vehicle**; and we
    - (1) Have been given prompt written notice of such tentative settlement; and
    - (2) Advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of such notification.
3. Any judgment for damages arising out of a **suit** brought against the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle** without our written consent is not binding on us unless we:
  - a. Receive reasonable notice of the pendency of the **suit** resulting in the judgment; and
  - b. Have had a reasonable opportunity to protect our interest in the **suit**.

#### **B. Who Is An Insured**

If the **Named Insured** is designated in the Declarations as:

1. An individual, then the following are **insureds**:

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- a. The **Named Insured** and any **family members**.
  - b. Anyone else **occupying** or using a covered **automobile** or a temporary substitute for a covered **automobile**. The covered **automobile** must be out of service because of its breakdown, repair, servicing, **loss** or destruction.
  - c. Anyone for damages he or she is entitled to recover because of **bodily injury** sustained by another **insured**.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are **insureds**:
- a. Anyone **occupying** or using a covered **automobile** or a temporary substitute for a covered **automobile**. The covered **automobile** must be out of service because of its breakdown, repair, servicing, **loss** or destruction.
  - b. Anyone for damages he or she is entitled to recover because of **bodily injury** sustained by another **insured**.

**C. Exclusions**

This insurance does not apply to any of the following:

1. Any **claim** settled without our consent. However, this exclusion does not apply:
  - a. If such settlement does not adversely affect our rights; or
  - b. To a settlement made with the insurer of an **underinsured motor vehicle** in accordance with the procedure described in Paragraph **A.2.b**.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. **Bodily injury** sustained by:
  - a. An individual **Named Insured** while **occupying** or when struck by any vehicle owned by that **Named Insured** that is not a covered **automobile** for Underinsured Motorists Coverage under this Endorsement;
  - b. Any **family member** while **occupying** or when struck by any vehicle owned by that **family member** that is not a covered **automobile** for Underinsured Motorists Coverage under this Endorsement; or
  - c. Any **family member** while **occupying** or when struck by any vehicle owned by the **Named Insured** that is insured for Underinsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
4. Punitive or exemplary damages.
5. **Bodily injury** arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

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#### D. Limit Of Insurance

1. Regardless of the number of covered **automobiles, insureds**, claims made or vehicles involved in the **accident**, the limit of insurance is as follows:
  - a. The most we will pay for all damages resulting from **bodily injury** to any one person caused by any one **accident**, including all damages claimed by any person or organization for care, loss of services or death resulting from **bodily injury**, is the limit of **Bodily Injury** shown in the Schedule for each person.
  - b. Subject to the limit for each person, the most we will pay for all damages resulting from bodily injury caused by any one accident is the limit of Bodily Injury shown in the Schedule for each accident.

The coverage limit for Uninsured and Underinsured Motorists Coverage applies separately to damages caused by an **accident** with an **uninsured motor vehicle** and an **underinsured motor vehicle**.

2. Self Insured Retention

- a. Our obligation to indemnify the **insured** applies only when the amount of **loss** and **claim expense** exceeds the Self-Insured Retention amount stated in the Common Policy Declarations per accident.
- b. The Self-Insured Retention amount stated in the Common Policy Declarations applies to all **loss** and **claim expense** sustained for any one accident to which this insurance applies.

#### E. Changes In Conditions

The COMMON POLICY CONDITIONS are amended to include the following with respect to Underinsured Motorists Coverage:

1. Any insurance we provide with respect to a vehicle the **Named Insured** does not own shall be excess over any other collectible underinsured motorists insurance providing coverage on a primary basis.

#### F. Additional Definitions

As used in this endorsement:

1. **Family member** means a person related to an individual **Named Insured** by blood, marriage or adoption, including a ward or foster child, who is a resident of such **Named Insured's** household.
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 applies at the time of the **accident**.
  - b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
  - c. That is a hit-and-run vehicle and neither the driver nor owner can be identified.However, **uninsured motor vehicle** does not include any vehicle:
  - a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
  - b. Owned by a governmental unit or agency; or
  - c. Designed for use mainly off public roads while not on public roads.
4. **Underinsured motor vehicle** means a land motor vehicle or trailer to which a **bodily injury** liability bond or policy applies at the time of an **accident** but its limit for **bodily injury** liability is either:
  - a. Not enough to pay the full amount the **insured** is legally entitled to recover as damages; or
  - b. Reduced by payments to persons other than an **insured** injured in the **accident** to less than the full amount the **insured** is legally entitled to recover as damages.

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However, **underinsured motor vehicle** does not include any vehicle:

- c. Owned by or furnished or available for the **Named Insured's** regular use or that of any **family member**, if the **Named Insured** is an individual.
- d. Owned by a governmental unit or agency.
- e. Designed for use mainly off public roads while not on public roads.
- f. Owned or operated by a self-insurer under any applicable motor vehicle law.
- g. While located for use as a residence or premises. or
- h. Which is an **uninsured motor vehicle**

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

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

## **UNIVERSITY SYSTEMS**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

The following is added to AUTOMOBILE COVERAGE PART EXCLUSIONS:

12. **Bodily injury, personal injury or property damage** arising out of the ownership, rental, lease maintenance or use of a **covered automobile** by the University of Nebraska. This exclusion does not apply to the Nebraska State College System (NSCS).

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.



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

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER TERRORIST ACTS (WITH STATE LAW EXCEPTION)**

This endorsement modifies the insurance provided under the following:

### **SELF-INSURED PACKAGE POLICY**

All Coverage Parts of this policy, except **WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY**, are subject to the following exclusions.

This insurance does not apply to:

1. All injury, **loss**, damage, cost or expense, caused by, resulting from, arising out of or related to, either directly or indirectly, any **TERRORIST ACTIVITY** as defined herein. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the injury, **loss**, damage, cost or expense.

However, this exclusion does not apply to the **PROPERTY COVERAGE PART** if the **TERRORIST ACTIVITY** occurs in an **EXCEPTION STATE** and results in fire. We will not exclude **loss** or damage in such **EXCEPTION STATE** caused by that fire but only to the extent, if any, required by the applicable Standard Fire Policy statute(s) in such state. This exception applies only to direct **loss** or damage by fire to covered property and not to any insurance provided for time element coverages, including but not limited to **business income** and **extra expense**. In no event shall this policy be construed to give coverage beyond the minimum requirements of the applicable Standard Fire Statute (and amendments thereto) in existence as of the effective date of the policy and governing such requirements with respect to any acts of terrorism. If the applicable law or regulation in any state permits the Commissioner or Director of Insurance or anyone in a similar position to grant the insurer approval to vary the terms and conditions of the Standard Fire Policy, and such approval has been granted in that state as of the effective date of this policy, this policy shall not provide coverage beyond the minimum requirements of the terms and conditions approved by the Commissioner or Director of Insurance or person in a similar position.

#### A. Definitions for this exclusion:

##### 1) **TERRORIST ACTIVITY** shall mean any deliberate, unlawful act that:

- a. is declared by any authorized governmental official(s) to be or to involve terrorism, terrorism activity or acts of terrorism; or
- b. includes, involves or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment or any natural resources, where the act or threatened act is intended in whole or in part, to:
  - i. Promote or further any political, ideological, philosophical, social, ethnic, racial or religious cause or objective of the perpetrator or any organization, association or group affiliated with the perpetrator;
  - ii. Disrupt, influence, or interfere with any government related operations, activities or policies;
  - iii. Frighten, coerce or intimidate the general public or any segment of the general public; or
  - iv. Disrupt or interfere with a national economy or any segment of a national economy.

- c. Includes, involves or is associated with, in whole or in part, any of the following activities, or the threat thereof:
- i. Sabotage or hijacking of any form of transportation or conveyance, including but not limited to aircraft, train, vessel, motor vehicle, spacecraft or satellite;
  - ii. The use of biological, chemical, radioactive or nuclear agent, material, device or weapon;
  - iii. Hostage taking or kidnapping;
  - iv. The seizure, blockage, interference with, disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance;
  - v. The use of any incendiary device, bomb, firearm or explosive;
  - vi. The injury or assassination of any elected or appointed government official or any government employee;
  - vii. The interference with or disruption of basic public or commercial services and systems; including but not limited to electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal; or
  - viii. The seizure, blockage, interference with, disruption of or damage to any government buildings, functions, tangible or intangible property, institutions, events or other assets.
- d. Any of the activities listed in Section 1. A. c. above shall be considered **TERRORIST ACTIVITY**, except where the **insured** can conclusively demonstrate to us that the foregoing activities or threats thereof were motivated solely by personal objectives of the perpetrator and unrelated, in whole or in part, to any intention to:
- i. Promote or further any political, ideological, philosophical, racial, ethnic, social or religious cause or objective;
  - ii. Influence, disrupt or interfere with any government related operations, activities or policies;
  - iii. Disrupt or interfere with a national economy or any segments of a national economy; or
  - iv. Frighten, coerce or intimidate the general public or any segment of the general public.

2) **EXCEPTION STATE** means a state which at the time of the policy effective date, requires that the coverage provided under this policy be not more restrictive than that provided under a Standard Fire Policy.

2. All injury, **loss**, damage, cost or expense, caused by, resulting from, arising out of or related to, either directly or indirectly, a **CERTIFIED ACT OF TERRORISM** as defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (hereinafter called **the ACT**).

A. Definitions for this exclusion:

- 1) **CERTIFIED ACT OF TERRORISM** means any act that is certified by the Secretary of the Treasury of the United States, in accordance with the provisions of the federal Terrorism Risk Insurance Act to:
- a. Be an act of terrorism pursuant to such act;
  - b. Be a violent act or an act that is dangerous to human life, property or infrastructure;
  - c. Have resulted in damage within the United States or outside of the United States in the case of:
    - i. An air carrier (as defined in 49 U.S.C. § 40102) or vessel based principally in the United States, on which income tax is paid and whose insurance coverage is subject to regulation in the United States; or
    - ii. The premises of a United States mission;

- d. 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; and
  - e. Have resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act.
3. The terms and limitations of this or any terrorism exclusion, or the inapplicability or omission of this or any terrorism exclusion, do not serve to create coverage for any **loss** which would otherwise be excluded under this policy, such as **losses** excluded by a Nuclear Hazard Exclusion or a War Exclusion.

Except as amended in this endorsement, this insurance is subject to all coverages, terms, and conditions in the policy to which this endorsement is attached.

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

## **AUTOMOBILE LIABILITY ANNUAL AGGREGATE DEDUCTIBLE**

This endorsement modifies the insurance provided under the following:

### **SELF-INSURED PACKAGE POLICY**

In addition to the Insured's Self-Insured Retention of \$300,000 per accident for Automobile Liability, the **Insured** shall also be liable for all Ultimate Net Loss otherwise recoverable from us under this policy until the **Insured** has paid, as a result of any one or more accidents during the policy period, \$300,000 in Ultimate Net Loss. Once the Annual Aggregate Deductible has been satisfied, the Ultimate Net Loss in excess of the Self-Insured Retention of \$300,000 per accident for Automobile Liability will be recoverable subject to the Limits of Insurance in the COMMON POLICY DECLARATIONS.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

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

## **FOSTER CARE LIABILITY COVERAGE PART**

This endorsement modifies the insurance provided under the following:

SELF-INSURED PACKAGE POLICY

The following coverage is added to the policy as a Coverage Part of its own.

**SELF-INSURED PACKAGE POLICY  
FOSTER CARE LIABILITY COVERAGE PART  
THIS COVERAGE IS PROVIDED ON A CLAIMS-MADE BASIS.**

**PLEASE READ THE ENTIRE COVERAGE CAREFULLY.**

**LIMITS OF INSURANCE:**

\$100,000 PER CLAIM FOR BODILY INJURY AND PROPERTY DAMAGE  
\$300,000 ANNUAL AGGREGATE FOR EACH FOSTER HOUSEHOLD

The Following Sublimits apply:

\$0 PER CLAIM FOR SEXUAL ABUSE LIABILITY  
\$0 PER CLAIM FOR PROPERTY DAMAGE TO INSURED'S PROPERTY

**SELF-INSURED RETENTIONS:**

\$200,000 PER CLAIM FOR BODILY INJURY AND PROPERTY DAMAGE  
\$100,000 PER CLAIM FOR SEXUAL ABUSE LIABILITY  
\$200,000 ANNUAL AGGREGATE FOR SEXUAL ABUSE LIABILITY FOR EACH FOSTER HOUSEHOLD  
\$5,000 PER CLAIM FOR PROPERTY DAMAGE TO INSURED'S PROPERTY

**DEDUCTIBLES PAID BY THE FOSTER PARENT(S):**

\$50 PER CLAIM FOR PROPERTY DAMAGE TO INSURED'S PROPERTY

**RETROACTIVE DATE:** July 1, 1996

**A. INSURING AGREEMENT**

**1. BODILY INJURY, PROPERTY DAMAGE AND SEXUAL ABUSE**

We will indemnify an **insured** for those sums that the **insured** becomes legally obligated to pay as damages and **claim expense** arising from **bodily injury, property damage** or **sexual abuse** caused by one or more **foster children** placed by the **department**.

Coverage only applies if:

- a. The **bodily injury, property damage** or **sexual abuse** is caused by an **occurrence**;

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- b. The **bodily injury, property damage, or sexual abuse** did not take place before the Retroactive Date stated above, or after the end of the **policy period**; and
- c. The **claim** for which damages arising out of **bodily injury, property damage or sexual abuse** to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting from the **bodily injury, property damage or sexual abuse** is first made against an **insured** during the **policy period** or an Extended Reporting Period we provide for in this coverage. For purposes of this coverage, a **claim** will be deemed to have been first made when notice of such **claim** is received by the State of Nebraska Risk Management Division.

## 2. PROPERTY DAMAGE TO INSURED'S PROPERTY

We will indemnify an **insured**, at actual cash value, up to \$5,000 for **property damage** to property of a **foster parent** caused by one or more **foster children** in the care of an **insured** if the act causing the damage occurred during the **policy period**. There is a \$50 deductible, payable by the **foster parent**, for each **claim** made. This deductible applies to each and every **claim** before the application of the Self-Insured Retention and does not deplete the Loss Fund.

## B. EXCLUSIONS FOR BODILY INJURY, PROPERTY DAMAGE, SEXUAL ABUSE AND PROPERTY DAMAGE TO INSURED'S PROPERTY

In addition to the COMMON POLICY EXCLUSIONS, this insurance does not apply to:

1. **Bodily injury, property damage or sexual abuse** caused by, or resulting from, the gross negligence of an **insured**. This exclusion does not apply to **bodily injury or property damage** resulting from the use of reasonable force to protect persons or property.
2. **Bodily injury or property damage** resulting from the sale, distribution, service or supplying of alcoholic beverages.
3. **Bodily injury or property damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **automobile** or watercraft owned, operated by, rented to or loaned to any **insured**. Use includes operations and **loading or unloading**. This exclusion also applies to vicarious liability whether or not statutorily imposed for the actions of a **foster child** using an aircraft, **automobile** or watercraft owned by, operated by, rented to or loaned to any **insured**.

This exclusion does not apply to a watercraft while ashore on premises an **insured** owns or rents, a sailboat equal to or less than 26 feet long or a watercraft with an inboard motor equal to or less than 50 horsepower or an outboard motor equal to or less than 25 horsepower.

4. **Bodily injury or property damage** arising out of the transportation of **mobile equipment** by an **automobile** owned by, operated by, rented to or loaned to an **insured**; or the use of **mobile equipment** while practicing for, preparing for or during a prearranged race, speed, demolition or stunting activity.
5. **Bodily injury or property damage** arising out of a professional service. The care and services rendered by an insured as a **foster parent** are not considered a professional service.
6. **Bodily injury** arising out of the transmission of a communicable disease by an **insured** or a **foster child**.

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7. **Bodily injury** arising out of an act committed by an **insured**.
8. **Property damage** to property owned by a **foster parent** in the use of a **foster parent's** business pursuit, while away from the **foster parent's** principle residence.

#### C. WHO IS AN INSURED

1. Each **foster parent** who provides foster family care under an agreement with the State of Nebraska, but only while acting as a **foster parent**.
2. Each person who is approved by the **department** to reside in the **foster household**.
3. If a **foster parent** dies, their legal representative is an **insured**, but only with respect as such. That representative will have all the **foster parent's** rights and duties under this Endorsement.

#### D. LIMIT OF INSURANCE

1. Regardless of the number of **foster parents, foster children** or **foster households**, premiums paid, **claims** made or persons involved in a **claim** or **suit**, the most we will pay for the total of all **loss** and **claim expense** resulting from any one **claim** or series of related **claims** is the Limit of Insurance stated in this endorsement.
2. The most we will pay for all **claims** made or **suits** brought during the **policy period** is limited to the Annual Aggregate Limit of Insurance stated in this endorsement.
3. If any **loss** is covered under more than one Insuring Agreement of this endorsement, the most we will pay for such **loss** shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements.

#### E. SELF-INSURED RETENTION

1. Our obligation to indemnify the insured applies only when the amount of **loss** and **claim expense** exceeds the per-claim Self-Insured Retention amount stated in this endorsement.
2. The Self-Insured Retention amount stated in this endorsement applies to all damages sustained for any one **claim** or series of related **claims** to which insurance applies.
3. Deductibles are part of, and not in addition to the Self-Insured Retention.

#### F. EXTENDED REPORTING PERIOD

1. The State of Nebraska will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This policy or coverage is canceled or not renewed; or
  - b. We renew or replace this coverage with insurance that:
    - 1) Has a Retroactive Date later than the date stated in the Common Policy Declarations; or
    - 2) Does not apply to FOSTER CARE LIABILITY as granted in this endorsement on a Claims-Made basis.
2. The Extended Reporting Period does not extend the **policy period** or change the scope of coverage provided. It applies only to **claims** for FOSTER CARE LIABILITY as granted in this endorsement that were first committed before the end of the **policy period** but not before the Retroactive Date stated in this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.
3. An Extended Reporting Period of two years is available, but only by endorsement and for an extra premium.

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The State of Nebraska must give us a written request for the Extended Reporting Period within 60 days after the end of the **policy period**. The Extended Reporting Period will not go into effect unless The State of Nebraska pays the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The State of Nebraska's **claims** experience for FOSTER CARE LIABILITY;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this coverage for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this coverage for each year of the Extended Reporting Period.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this coverage, applicable to the Extended Reporting Period, including a provision stating that the insurance afforded for **claims** first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. The Extended Reporting Period does not reinstate or increase the Limits of Insurance of this Endorsement.

#### G. CONDITIONS

In addition to the GENERAL POLICY CONDITIONS the following conditions apply for this endorsement.

##### 1. ELIGIBLE FOSTER HOUSEHOLD

To be eligible for coverage a **foster household** must be:

- a. A State of Nebraska approved kinship placement;
- b. A **department** licensed foster care home;
- c. An individual style home where the **foster child** is cared for in a residential setting, in the same fashion as a natural or adopted child. No corporate, group or day care type facility is accepted. Any home that cares for more than four **foster children** must be specifically approved by the State of Nebraska; or
- d. Under the supervision of the **department**.

##### 2. ELIGIBLE FOSTER PARENT

- a. Any **foster parent** who is under investigation for any charge of improper care or handling of a **foster child** is automatically not eligible for coverage, unless specifically approved by the **department**; and
- b. The **foster parent** must attend, no less than once annually, an appropriate continuing education class for **foster parents**, as outlined by the **department**.

##### 3. OTHER INSURANCE

Coverage provided under this endorsement specifically applies in excess of any personal insurance (including but not limited to insurance provided under any homeowners, tenants, umbrella or other personal insurance) or any business insurance that is available to the **foster household** for **loss** or **claim** covered under this endorsement.



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## DEFINITIONS

In addition to the GENERAL POLICY DEFINITIONS the following definitions apply for this endorsement.

- A. **Department** means the State of Nebraska Health and Human Services Department and affiliated agencies.
- B. **Claim** means a completed and signed State of Nebraska Foster Care Claim Form.
- C. **Foster child (children)** means a person under the age of 19, who has been placed in the care of a **foster parent** by the State of Nebraska.
- C. **Foster household** means a **foster parent** and those who qualify as **insured** under WHO IS INSURED for that particular **foster parent**.
- D. **Foster parent** means a licensed individual who extends foster family care under the authority of the **department**. **Foster parent** also means potential adoptive parents until a Court issues a final decree or order approving the adoption. Potential adoptive parents must be licensed as **foster parents**, with possible exception for kinship or relative placements, and also meet all other requirements of this endorsement.
- E. **Loading or unloading** means the handling of property.
  - 1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **automobile**.
  - 2. While it is in or on an aircraft, watercraft or **automobile**; or
  - 3. While it is being moved from an aircraft, watercraft or **automobile** to the place where it is finally delivered;  
But **loading and unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **automobile**.
- G. **Occurrence** means an accident or happening or event, or a continuous or repeated exposure to conditions, which results in **bodily injury, property damage** or **sexual abuse** during the **policy period**. All **bodily injury** or **sexual abuse** to one or more persons and/or **property damage** arising out of an accident or happening or event or a continuous or repeated exposure to conditions shall be deemed to be one **occurrence**. Only one policy, one Self-Insured Retention and one Limit of Insurance applies to any one **occurrence**.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

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

## **NEBRASKA REVISED STATUTE SECTION 44-358**

This endorsement modifies the insurance provided under the following:

### **SELF-INSURED PACKAGE POLICY**

It is agreed that in the event of a conflict between the language contained in this policy and Nebraska Revised Statute Section 44-358, the Revised Statute shall prevail. The Nebraska State Insurance Code #44-358 states:

No oral or written misrepresentation or warranty made in the negotiation for a contract or policy of insurance by the insured, or in his behalf, shall be deemed material or defeat or avoid the policy, or prevent its attaching, unless such misrepresentation or warranty deceived the company to its injury. The breach of a warranty or condition in any contract or policy of insurance shall not avoid the policy nor avail the insurer to avoid liability, unless such breach shall exist at the time of the loss and contribute to the loss, anything in the policy or contract of insurance to the contrary notwithstanding.

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

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

## **VEHICULAR PURSUIT BY LAW ENFORCEMENT OFFICERS**

This endorsement modifies the insurance provided under the following:

### **SELF-INSURED PACKAGE POLICY**

In the event of a conflict between the language contained in this policy and Nebraska Revised Statute 13-911, the Revised Statute shall prevail.

Nebraska Statute 13-911-Vehicular pursuit by law endorsement officer; liability to third parties reimbursement.

- (1) In case of death, injury or property damage to any innocent third party proximately caused by the action of a law enforcement officer employed by the state during vehicular pursuit, damages shall be paid to such third party by the state employing the officer.
- (2) Upon payment by the state of those damages sustained by an innocent third party, whether upon voluntary settlement or in satisfaction of a judgment, the state shall be entitled to reimbursement of the amount of damages paid by the state from each and all of the following sources:
  - (a) The driver of the fleeing vehicle;
  - (b) Any organization, including a sole proprietorship, partnership, limited liability company, or corporation, liable for the conduct of the driver of the fleeing vehicle;
  - (c) Every insurer or self-insurance surety of either the driver of the fleeing vehicle or any organization, including a sole proprietorship, partnership, limited liability company, or corporation, liable for the conduct of the driver of the fleeing vehicle, except that no such insurer or self-insurance surety shall be required to pay in excess of the liability limit of its applicable policies or bonds;
  - (d) Any uninsured or underinsured motorist insurer or self-insurance surety legally liable to the innocent third party, except that the sum recoverable from such insurer or self-insurance surety shall not exceed the highest limit of liability determined in accord with the Uninsured and Underinsured Motorist Insurance Coverage Act; and
  - (e) Any political subdivision employing law enforcement officers whose actions contributed to the proximate cause of death, injury, or property damage sustained by the innocent third party, except that the liability of any such political subdivision shall not exceed the lesser of (i) its maximum statutory liability pursuant to the Political Subdivisions Tort Claims Act, or (ii) the damages sustained by the innocent third party apportioned equally among the state and all political subdivisions employing law enforcement officers whose actions contributed to the proximate cause of death, injury, or property damage sustained by the innocent third party.
- (3) This section shall not relieve any public or private source required statutorily or contractually to pay benefits for disability or loss of earned income or medical expenses of the duty to pay such benefits when due. No such source of payment shall have any right of subrogation or contribution against the state.
- (4) This section shall be considered part of the State Tort Claims Act and all provisions of the act apply.
- (5) For purposes of this section, vehicular pursuit means an active attempt by a law enforcement officer operating a motor vehicle to apprehend one or more occupants of another motor vehicle when the driver of the fleeing vehicle is or should be aware of such attempt and is resisting apprehension by maintaining or increasing his or her speed, ignoring the officer, or attempting to elude the officer while driving at speeds in excess of those reasonable and proper under the conditions."

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Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

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ENDORSEMENT NO. 1  
**AR SIPP 20 26 07 16**

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

## **POLICY CHANGES**

This endorsement modifies the insurance provided under the following:

### **SELF-INSURED PACKAGE POLICY**

Effective 9/20/2018, the Schedule of Insured Values was updated to include new locations for an additional Total Insured Value of \$12,279,108.

Additional Annual Premium: \$5,434

Additional Pro-Rata Premium: \$4,228

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.

POLICY NUMBER: 821800 1018712  
EFFECTIVE DATE: 07/01/2018

ENDORSEMENT NO. 2  
**AR SIPP 20 26 07 16**

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

## **POLICY CHANGES**

This endorsement modifies the insurance provided under the following:

### **SELF-INSURED PACKAGE POLICY**

Effective 10/18/2018, the Schedule of Insured Values was updated to include new locations for an additional Total Insured Value of \$120,000,000.

Additional Annual Premium: \$53,105

Additional Pro-Rata Premium: \$32,713

Except as amended in the endorsement, this insurance is subject to all coverages, terms and conditions in the policy to which this endorsement is attached.



Pete Ricketts, Governor

## CERTIFICATE OF SELF-INSURANCE, STATE OF NEBRASKA

This information is being provided to the Nebraska Department of Correctional Services – Cornhusker State Industries, an agency of the State of Nebraska, as it relates to workers' compensation coverage for offenders committed to the Department of Correctional Services, and who are employed with Cornhusker State Industries.

Under the provisions of Neb. Rev. Stat. § 81-1827, offenders committed to the Department of Correctional Services may be employed by any corporation operating a factory or other business or commercial enterprise. Offenders committed to the Department of Correctional Services who are employed per Neb. Rev. Stat. § 81-1827 shall be deemed an employee of the Department of Correctional Services solely for purposes of the Nebraska Workers' Compensation Act pursuant to Neb. Rev. Stat. § 48-115.

Workers' Compensation is statutorily required in Nebraska and the State is self-insured. Occupational diseases are fully covered by law. This coverage is effective May 1, 2019 through June 30, 2020.

Handwritten signature of Allen D Simpson in blue ink.

Allen D Simpson  
State Risk Manager

Handwritten date "6 MAY 19" in blue ink.

Date