



# **Request for Proposals 19-05**

## **Insurance and Risk Management**

*Response Prepared By:*

**Risk Management Associates, Inc. dba  
Public Risk Insurance Advisors**

A wholly owned subsidiary of Brown & Brown, Inc.

Michelle Martin, CIC – Vice President  
Michelle Perry, CIC – Public Risk Advisor  
220 S. Ridgewood Avenue, Suite 210  
Daytona Beach, FL 32114  
(386) 239-4047

Due: August 23, 2019 at 4:00 PM

**COPY**



**PUBLIC RISK INSURANCE ADVISORS**

**City of St. Augustine Beach**  
**RFP 19-05 – Insurance and Risk Management**



August 23, 2019

City of St. Augustine Beach  
Attention: Max Royle, City Manager  
2200 A1A South  
St. Augustine Beach, FL 32080

**Re: RFP No. 19-05 – Insurance and Risk Management**

Dear Mr. Royle:

Risk Management Associates, Inc. dba Public Risk Insurance Agency (PRIA) is pleased to submit our response to the City's solicitation for Property and Casualty Insurance. PRIA is Brown & Brown's public entity specialist, currently providing similar services to over 250 public entities in the State of Florida.

PRIA has taken a different approach to the insurance placement than the City's current arrangement. PRIA is an independent insurance broker; meaning our best interest is in the City. Our primary responsibility as the City's broker is to provide value to the City's insurance and risk management program, not to the insurance Trust quoted.

PRIA spent time to understand the City's risk exposures. We designed a broader insurance policy to address the City's actual exposures and we negotiated a premium with the Preferred Governmental Insurance Trust (*Preferred*) which provides significant premium savings from the current program.

**Coverage & Pricing Enhancements Included:**

- Reduced premiums by 20% (almost \$40,000) compared to expiring
- Increased Law Enforcement Liability limit from \$1,500,000 to \$2,000,000
- Increased Public Officials' Liability limit from \$1,500,000 to \$2,000,000
- Increased Employment Practices Liability limit from \$1,500,000 to \$2,000,000
- Increased General Liability limit from \$1,500,000 to \$2,000,000
- Increased Cyber Liability limit from \$1,000,000 to \$2,000,000 (no pool aggregate limit)
- Provided Deadly Weapon Protection for \$1,000,000 including Crisis Management resources
- Crime— increased limit from \$100,000 to \$500,000  
(400% increase including Employee Dishonesty & Computer Fraud/Funds Transfer)
- Property – Reduced Named Windstorm (Hurricane) deductible from 5% to 3%  
(40% reduction of deductible – almost \$90,000. This is of value to FEMA.)
- For Refuse Trucks valued over \$100,000, Agreed Value coverage vs. Actual Cash Value (depreciated value) coverage to assist with replacing these high-cost assets.
- No additional premium for assets (buildings, vehicles, equipment) added during the fiscal year to stabilize budget expense
- Offered a 2-year policy/rate guarantee
- Recommend increasing Automobile Liability Limits from \$500,000 to \$1,000,000  
(provided as option with minimal additional premium)

While FMIT may have improved some of their coverages in response to this bid, the City should question why these were not addressed previously. Our coverage proposal addresses current risks and appropriate limits for today's world. This is the PRIA difference.

In addition, our service model is ideal for the City of St. Augustine Beach. We provide customized support to your staff, including:

**Service Enhancements Included:**

- Team of risk management professionals providing both program oversight and daily support
  - Public Risk Specialist to assist with processing of insurance-related transactions.
  - Public Risk Advisor manages your program:
    - Constant exposure review and program amendment
    - Contractual risk review
    - Vendor insurance requirements/Certificate review
- Property Appraisal at no cost to the City
- Loss Prevention Services – the best way to keep premiums low is to keep claims low!
  - Risk Control Consultant providing on-site assistance
    - Safety Committee & Program support
    - On-line resources including Cyber Liability training
    - HR Helpline
    - \$5,000 matching safety grant annually
- Specialized claims handling and advocacy including:
  - BADGE - Cardiac case management care BADGE program to assist police department employees in the event of Presumption incidents under Workers' Compensation presumption law.
  - Catastrophic RESPONSE protocol including pre-disaster planning, pre-storm staging, disaster recovery and FEMA assistance.
  - Mobile app
  - Subrogation and Special Investigation units

We welcome and encourage the opportunity to further explain our proposal and approach to risk management. We are proven and committed to provide professional services with superior results for your property and casualty program. Thank you for your consideration.

Kind regards,



Matthew Montgomery  
Executive Vice President  
Direct: (386) 239-7245  
Email: MMontgomery@bbpria.com

**City of St. Augustine Beach**  
**RFP 19-05**  
**Insurance and Risk Management**

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**Tab 1**

Background & Qualifications

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Description of the firm and its relevant experience, including a statement of the date of establishment or incorporation under the present management structure. Statement describing the full extent of the responding firm's business, including all parent and subsidiary entities.

## FLORIDA PUBLIC ENTITY SNAPSHOT

Brown & Brown's public entity division, Public Risk Insurance Advisors (PRIA) is the premier public entity specialist in Florida. We are a "boutique" public entity brokerage that provides concierge-level service with the resources of a large national broker, allowing us to negotiate better terms and conditions while creating unique service plans based on our client's objectives.



### Our Company

Brown & Brown, Inc. was founded in 1939 in Daytona Beach and has since grown to be the largest insurance intermediary in Florida and the 8th largest in the world. That growth has pushed our company beyond 200 offices nationwide, housing more than 10,000 teammates. In Florida, our more than 50 offices are comprised of 2,500 teammates responsible for the design, placement and servicing of annual insurance premiums in excess of \$2.5 Billion.

Our company, publicly traded on the New York Stock Exchange (Symbol: "BRO"), recently announced an exciting partnership with the State of Florida, Volusia County and the City of Daytona Beach to build our new Corporate Headquarters in downtown Daytona Beach. This will secure for the future our place as the largest insurance broker in Florida and ensure that our company and our team remain rooted here in our great home State of Florida.

## **PRIA's Footprint**

Risk Management Associates, Inc. dba Public Risk Insurance Advisors (PRIA) is Brown & Brown's retail public entity specialist operation in Florida. We are a completely independent agency with no vested interest in any insurance carriers or insurance trusts. PRIA's Daytona Beach office is centrally located to serve our Florida clients. We offer the distinct combination of a "boutique" public entity brokerage; offering concierge-level service with the resources of a large national broker, allowing us to negotiate better terms and conditions and create unique service plans based on our client's goals and objectives. This arrangement allows us to design, place and service in excess of \$130 Million in insurance for our Florida based governmental clients alone.

There are a multitude of reasons why public entities in Florida choose PRIA as the most qualified firm to manage the needs of their insurance program. PRIA operates as a truly unbiased broker/consultant with our focus solely on listening to our clients' needs and executing on their behalf. Our exclusivity to the Florida public sector has evolved our service model around the October 1st renewal date, giving our team the ability to successfully commit to the City's anticipated time-frame. For the intentions of this proposal, all work will be performed out of our centrally located Daytona Beach office. PRIA currently manages the insurance needs of many municipalities in Volusia County, Flagler County, St. John's County, Duval County, and Clay County, and is committed to being accessible and readily available for in-person meetings when necessary.

Our client list is next:

# City of St. Augustine Beach

## RFP 19-05 – Insurance and Risk Management

City/Town/Village	Atlantis	Daytona Beach	Indian Shores	Marianna	Pierson
	Auburndale	Deltona	Jacksonville Beach	Mayo	Polk City
	Aventura	Destin	Jacksonville	Miami Gardens	Punta Gorda
	Bal Harbour Village	Doral	Jupiter	Miami	Royal Palm Beach
	Bay Harbor Islands	Eagle Lake	Key West	Micanopy	Sarasota
	Bellevue	Edgewater	Lake Alfred	Mulberry	South Palm Beach
	Bonita Springs	Fort Lauderdale	Lake Helen	Naples	St. Cloud
	Bunell	Fort Myers Beach	Lake Worth Beach	New Port Richey	Sweetwater
	Cape Coral	Fort Walton Beach	Lauderhill	North Miami	Tallahassee
	Casselberry	Freeport	Lighthouse Point	North Port	Treasure Island
	Chattahoochee	Groveland	Madeira Beach	Ocala	Vernon
	Chipley	Haines City	Madison	Pahokee	Westlake
	Coconut Creek	High Springs	Marathon	Palm Bay	Weston
	Dania Beach	Highland Beach	Marco Island	Parkland	
	Davie	Indian River Shores	Margate	Perry	
State/County	Brevard	Desoto	Gilchrist	Lafayette	Marion
	Citrus	Flagler	Gulf	Lee	Okaloosa
	Clay	Florida, State of	Highlands	Levy	Santa Rosa
	Columbia	Gadsden	Jefferson	Madison	
School	Collier School District	Lake Worth Comm High	Odyssey Charter School	University of FL	
	FL Atlantic University	Lee School District	Odyssey Prep Academy	University of North FL	
	FL Polytechnic University	Leon School District	Pasco School District	University of South FL	
	Gilchrist School District	Madison Creative Arts Acad.	Seminole School District	University of West FL	
	James Madison Prep High	Montessori Academy	University of Central FL		
Special District	Apalachee Bay Volunteer Fire Dept	Florida East Coast Railway LLC	Lakewood Ranch Inter-District Auth	Old Plantation Water Control District	Southwest Florida Water Management
	Bayfront Park Management Trust	Fort Myers Beach Fire Control District	Lakewood Ranch Stewardship District	Palm Beach County Housing Authority	SPECTRA Organization,
	Big Bend Water Authority	Fort Myers Housing Authority	LEAP Services, LLC	Peace River Manasota Regional Water	Spring Lake Improvement District
	Bonita Springs FCD	Forward Pinellas	Lee County Housing Authority	Pine Tree WCD	St. Johns River Water Management District
	Broward MPO	Green Apple School Management, LLC	Lehigh Acres Municipal Services	Pinellas Park Water Management District	Suwannee River Water Mgmt District
	Buckhead Ridge Mosquito Control	HART	Lincoln Road Business Improvement District	Pinellas Suncoast Fire & Rescue District	Tallahassee CRA
	Children's Board of Hillsborough County	Hillsborough County City-County Planning	Loxahatchee River Environmental Cont	Pompano Beach Housing Authority	Tampa Bay Water
	Children's House of Montessori, LLC	Immokalee Fire Control District	Melbourne-Tillman Water Control District	Port Ybor Association	Tampa Historic Streetcar, Inc.
	Citrus County Mosquito Control	Immokalee Water and Sewer District	Miami Beach Housing Authority	PRIDE Enterprises	TBARTA
	Citrus County Sheriff	Indian River Lagoon Council	Miami Sports & Exhibition Authority	PSTA	Tindall Hammock ISCD
	Clay County Utility Authority	Jacksonville Beach CRA	Moore Haven Mosquito Control Dist	Ranger Drainage District	Titusville Housing Authority
	Collier Mosquito Control District	Jupiter Redevelopment Agcy	Naples Airport Authority	Sanibel Fire Rescue District	Troup Indiantown WCD
	Consolidated Dispatch Agency	Key Largo Fire Rescue & Emergency	Nature Coast Regional Water Authority	Sebring Airport Authority	Upper Captiva Fire Rescue
	Davie Community Redevelopment Agcy	Key Largo Volunteer Fire Department	New River Solid Waste Association	Seminole Improvement District	Viera Stewardship District
	Emerald Coast Utilities Authority	Lake Asbury Municipal Service Benefit District	New Smyrna Beach, Utilities Commission	South Indian River Water Control District	Washington County Sheriff's Office
	Estero Fire Rescue	Lake Region Lakes Management District	Northern Palm Beach County Improvement	South Trail Fire Protection & Rescue	Winter Haven Housing Authority
	Fellsmere WCD	Lake Worth Drainage District	Ocean City - Wright Fire Control District	Southeast Overtown Park West CRA	<b>48 Community Development Dist</b>

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

Description of the firm's experience performing the type of services requested in this RFP, including description of current and recent arrangements with other clients for which similar services are performed.

Since 1992, PRIA has represented public entities ranging from small towns and districts to large cities and counties and the State of Florida. These placements cover the gamut of insurance lines from property, casualty and workers' compensation to life and health and span the range of risk management strategies from first dollar coverage to large self-insured retentions.

Our operations are unique:

- PRIA currently represents over **250** of Florida's governmental entities
  - 25 Counties
  - 73 Cities
  - 7 Public School Districts
  - 7 Public Universities
  - *State of Florida*
  - 100+ Special Taxing Districts
- Only retail agency in Florida **100%** committed to Florida's public entities
- PRIA has served **Florida governments exclusively** since 1992
- We place **\$130 million of annual premiums** for our Florida clients

Our track record with our clients reveals that we deliver what we promise. Our risk management programs never remain stagnant. We consistently deliver reductions in premiums as well as reduce our client's overall cost of risk year after year.

We understand the importance of establishing and adhering to timelines. Our process is to establish deadlines for each step of the insurance renewal process. We work closely with clients to gather underwriting data and submit applications within predetermined timeframes to ensure the entire renewal process stays on track. We also update clients during the entire submission process so there are no surprises or if deadlines need to be adjusted.

Well in advance of formal quoting, we provide budget estimates and coverage improvement goals. Again, the goal is to meet every objective to maintain our clients' peace of mind.

PRIA staff is proudly involved and committed to top industry organizations and professional affiliations, including:



This experience greatly improves our ability to create and manage complex and dynamic risk management programs. We have over 26 years of real world, firsthand experience with virtually every aspect of public entity risk management. Our 97% overall client retention speaks volumes for our expertise in putting this experience to good use for our clients.

**Description of the firm's understanding of the City's insurance and risk management needs.**

One of the many reasons for our success is that we do not simply "sell" insurance policies. Our desired position with our clients is that of a true risk management consultant and partner. We proactively pursue innovative solutions and program improvements without being prompted by our clients. PRIA possesses the experience, expertise and unparalleled market access necessary to achieve the City's insurance and risk management objectives by:

- **Continuous improvement in insurance program pricing and coverage.**
- Continuous identification and analysis of risk exposures in a rapidly changing environment.
  - Changes in Workers Compensation Law and Legal Precedents (PTSD, etc.)
  - FEMA claim management and rule changes
  - Cyber Liability and Emerging Exposures
- Identify, prioritize, and provide risk management and risk transfer solutions that can be implemented effectively within the City's operating and budget environment.
  - Submit innovative ideas and solutions annually
- Develop both short and long-range budgeting projections and objectives.
- Reduce the City's overall cost of risk via market expertise, program design and loss control.
- Risk Control via identification of high loss and risk exposures and application of safety/loss control resources.
- **Reduce internal administration costs and improve service via PRIA's expanded and efficient service delivery.**

PRIA will work with your team to determine product and service expectations and develop a specialized service plan to achieve specific goals. Our Standard Services include, but are not limited to:

- Initiate renewal process approximately 150-120 days prior to renewal
- Risk exposure identification and review, including preparation of underwriting submissions
- Meet with staff to review marketing strategy, expectations and budget constraints
- Recommend coverage and other risk transfer options for exposures not covered by insurance
- Develop and execute Marketing Plan to access and negotiate with all viable insurance markets and alternative risk transfer plans with City's approval
- Presentation of insurance renewal options to committees, workshops or board
- Bind insurance coverage as directed in writing
- Deliver binders and policies to document coverage at all times
- Review each policy for accurate policy coverage, endorsement language and terms
- Request and track policy corrections in a timely manner
- Respond to all policy change requests and monitor endorsement issuance

- Issue certificates of insurance. All certificates will be issued in accordance with FS 768.28 (sovereign immunity statute). Most certificates are issued the same day as requested
- Develop and assist with premium allocations
- Monitor and communicate industry trends, developments or innovations
- Monitor and communicate potential legislative issues or legal precedence or rulings that may affect the risk management program
- Contractual risk review and assistance with vendor contractual requirements policy
- Promote and facilitate risk and loss prevention efforts
- Coordinate educational seminars relative to your risk management plan
- Claims advocacy, including attending claims review meetings. Involvement in analyzing claims trending and assistance in favorable settlements of individual claims.
- PRIA monitors hurricane activity and will provide emergency contacts, instructions and toll-free contact number along with an alternate number if a storm event is possible. Our staff will be available immediately after any major event.
- FEMA coordination, including pre- and post-event assistance
- Coordination of appraisal, actuarial, claims, and other third party related services
- Review and facilitate insurance company audits for accuracy

Identification of any material litigation, administrative proceedings or investigations regarding your firm or team member that is ongoing or has been settled or otherwise concluded during the past two years. Identification of any conflict of interest related to this proposal.

Risk Management Associates, Inc. dba Public Risk Insurance Advisors has not been involved in any material litigation, administrative proceedings or investigations regarding our firm or team member during the past two years.

All responses must include any termination of contracts by any municipality with cause or due to failure to provide proper service to any municipality.

Risk Management Associates, Inc. dba Public Risk Insurance Advisors has not had any contracts terminated by any municipality with cause or due to failure to provide proper service.

**Tab 2**  
**Personnel**

Identification of the proposed insurance and risk management team, including the principal-in-charge who will have overall responsibility for the direction and supervision of the team, and a description of the responsibilities of each team member. Provide short biographies of team members describing at a minimum education, and professional experience and credentials.

All PRIA staff is **100% dedicated** to insurance placement and broker services for public entities. Our 24 teammates' collective experience exceeds 300 years. Our team approach to servicing Risk Management accounts is to provide a strong internal service team that is ready to respond to each risk management client's unique risk exposures and needs. Each member is supported by specific backup professionals, so there is never concern of client-service interruption in the event any out of office time by PRIA teammates. Below is an overview of and resumes for the team:

### MATTHEW MONTGOMERY



Executive Vice President

Florida State University, BS Degree, Philosophy

PRIA / Brown & Brown – 2013 to Present

Florida DHSMV – 2012 to 2013

Southern Strategy Group – 2007 to 2012

US Senate Office – 2002 to 2007

2-20 General Lines Agents License, State of Florida

2-15 Life, Health, and Variable Annuities License, State of Florida

15+ years of Florida Governmental Experience

**Matt Montgomery – Executive Vice President**, leads PRIA with over 15 years of experience in Federal and State Government. Matt's expertise is particularly important for direct assistance with government agencies, presentations to executive staff and Boards, and other executive meetings as needed.

**MICHELLE MARTIN, CIC**



Vice President / Public Risk Advisor

University of Central Florida, B.A. Business Admin/Finance

Certified Insurance Counselor (CIC)  
Risk Management for Public Entities (RMPE)

PRIA / Brown & Brown – 1990 to Present

2-20 General Lines Agents License, State of Florida

17+ years of Florida Public Entity Experience

**Michelle Martin, CIC – Vice President / Public Risk Advisor**, will coordinate all broker services and retain ultimate responsibility for all deliverables for this project. Ms. Martin's professionalism and expertise in the industry has been exemplified by her commitment to and representation of Florida self-insured governmental entities. Throughout the contract year, Ms. Martin will oversee insurance submission, marketing, negotiation, and presentation of coverage, program design and financial analysis.

She will also coordinate all risk management/loss control services utilizing skills developed via the following public entity and risk management experience:

- 29 years' experience includes Marketing Manager for corporate office, negotiation and placement of alternative risk transfer mechanisms for US and European commercial business. Since 2005, sole focus on public entity program management.
- Client Retention rate of 99%
- Design and Placement
- Insurance program and policy design
- Local Government Financing and Budgeting
- Public Entity Law (Florida Statutes, procurement, court rulings, etc.)
- FEMA Coordination
- Claims Advocacy
- Informational and Educational Presentations
- Communicate industry trends, changes and emerging solutions
- Monitor client satisfaction and program efficiencies
- Contractual Risk Review
- Vendor Contract Requirement

**MICHELLE PERRY, CIC**



Public Risk Advisor

Fitchburg State University – Bachelor of Industrial &  
Organizational Psychology

PRIA/Brown & Brown – 2017 to Present

Allstate Insurance – 2016-2017

Certified Insurance Counselor (CIC)

2-20 General Lines Agents License, State of Florida

2-15 Life, Health & Variable Annuities License, State of Florida

2+ years of Florida Public Entity Experience

**Michelle Perry, CIC –Public Risk Advisor**, will team up with Ms. Martin to execute the day to day services, as well as be available for in-person meetings and conferences. Ms. Perry has served Florida public entity insurance programs for 2 years, including experience with insurance marketing, specialty risk placement, and risk management for high catastrophe prone exposures.

**PATRICIA JENKINS, CPSR**



Public Risk Specialist

Collin County Community College

Certified Professional Service Representative (CPSR)

PRIA – 2010 to Present

N.T. Vincent Insurance – 2000 to 2010

Allstate Insurance Company – 1998 to 2000

Caton Insurance Agency – 1996 to 1998

2-20 General Lines Agents License, State of Florida

9+ years of Florida Public Entity Experience

**Patricia “Trish” Jenkins, CPSR – Public Risk Specialist** is the City’s contact for routine service functions. She will provide response to service requests, issuing certificates of insurance, maintaining property, vehicle and equipment schedules, claims handling as well as general requests for service in a multitude of other areas.

Key functions include but are not limited to:

- Quote/Proposal/Binder/Policy review, correction and delivery
- Invoicing, certificates and general inquiries
- Audits and premium adjustments
- Insured Asset schedule maintenance and management

**ROBIN RUSSELL, CISR, CSRM**



Director of Operations

Florida State University, B.S.

Risk Management/Insurance & Finance

Certified Insurance Service Representative (CISR)

Certified School Risk Management (CSRM)

Risk Management for Public Entities (RMPE)

PRIA – 2004 to Present

State Farm – 1998 to 2004

2-20 General Lines Agents License, State of Florida

2-15 Life, Health, and Variable Annuities License, State of Florida

1-20 Surplus Lines License, State of Florida

15+ years of Florida Public Entity Experience

**Robin Russell, CISR, CSRM - Director of Operations**, oversees customer service and agency operations. With a Risk Management degree from Florida State University, Mrs. Russell has focused in public entity insurance and risk management for 15 years. She has been charged to constantly improve PRIA's service offerings, including quality control and technological efficiencies to assist our clients.

**Alexa Gray - Assistant Public Risk Specialist** – Assigned for special projects, including certificate of insurance issuance and claims reporting/liaison.

**Christopher Kittleson, ARM – Senior Risk Control Consultant**

*"This is an important and distinct advantage for our team; by building a culture of dogged discipline, creating a team focused exclusively on public entities, and giving that team access to the resources and capabilities of the largest insurance intermediary in the state of Florida, PRIA has the ability to deliver unrivaled results and develop deeply meaningful partnerships with our municipal clients."*



The entire team of insurance professionals at PRIA is cross-trained and educated on all accounts, which provides continuity and exceptional service standards. PRIA's proactive approach includes establishing a calendar of events with our clients which maintains the insurance program in real-time and assures that PRIA is aware of and available for important meetings or events. This includes communication expectations and reporting requirements. It is our service model to immediately identify and document client expectations and to meet those needs on a daily and on-going basis.

**Matthew Montgomery**  
Executive Vice President

**EXPERIENCE**

**Risk Management Associates, Inc. dba Public Risk Insurance Advisors (a wholly owned subsidiary of Brown & Brown, Inc.)**

2015 to Present. Executive Vice President

Responsible for the executive oversight of Public Risk Insurance Advisors. Additional duties include production, marketing and service of public entity insurance programs and accounts.

September 2013 –2015. Account Executive

Responsibilities include direct consulting with clients to identify and analyze risk exposures and coverage needs and develop and design individualized insurance programs. Professional client services include oversight of insurance and risk management programs, including claims advocacy, internal policy and procedures development, and contract review.

**Florida Department of Highway Safety and Motor Vehicles**

May 2012 – September 2013. Legislative Affairs Director

Served as the lead on all departmental advocacy before the legislature, including all lobbying on behalf of the Florida Highway Patrol. Responsibility for all budget and legislation and responsible for securing the funding to run one of the largest state agencies in Florida.

**Southern Strategy Group**

December 2007 – May 2012. Partner Lobbyist

Advocated on behalf of clients such as Disney, Apple, NASCAR, BCBS, and CVS. Partner in the largest state-level lobbying firm in the country. Experience lobbying the Executive and Legislative branches at all levels.

**Florida Department of Agriculture and Consumer Services**

January 2007 – December 2007. Deputy Director, Office of Legislative Affairs

Legislative advocacy for Cabinet Level agency focusing predominantly on the House of Representatives.

**Charles H. Bronson Campaign**

January 2006 – January 2007. Deputy Campaign Manager

Responsibilities included all internal organization of contributions, volunteers, scheduling, and communications.

**United States Senate, Office of Senator Bill Nelson (FL)**

December 2002 – June 2006. Assistant to the Chief of Staff

Responsible for incoming communications.

**EDUCATION**

Florida State University, BS Degree, Philosophy

**LICENSES**

2-20 General Lines Agents License, State of Florida

2-15 Life, Health, and Variable Annuities License, State of Florida

**Michelle Y. Martin, CIC**  
Vice President / Public Risk Advisor

**EXPERIENCE**

**Risk Management Associates, Inc. dba Public Risk Insurance Advisors (a wholly owned subsidiary of Brown & Brown, Inc.)**

2005 to Present. Vice President / Public Risk Advisor

Responsibilities include direct consulting with clients to identify and analyze risk exposures and coverage needs and develop and design individualized insurance programs. Professional client services include oversight of insurance and risk management programs, including claims advocacy, internal policy and procedures development, and contract review. Effective and efficient communication methods for elected board presentations, committee meeting participation, and coordination of daily staff service needs.

**Brown & Brown, Inc.**

1990 to 2005

**Vice President, Risk Management Division/Account Executive.** Developed this division to enhance risk management services, cultivate new and existing client relationships, and concentrate marketing efforts for the agency's largest commercial accounts and other niche business, including governmental entities. Programs concentrated in National Accounts, Alternative Risk Finance Techniques, and Self-Insurance.

**Vice President, Marketing Manager.** Responsible for \$170,000,000+ of premium volume for existing commercial and public entity accounts.

**Account Executive.** Focused on large account management, including business development, marketing and client relations/service.

**Technical Assistant and Marketing Analyst.** Handled large commercial and public entity insurance service, policy marketing, and quality control functions.

**EDUCATION**

University of Central Florida, B.A. Business Administration/Finance (cum laude)

Certified Insurance Counselor (CIC)

Risk Management for Public Entities (RMPE)

Candidate for Associates in Risk Management (ARM)

**LICENSES**

2-20 General Lines Agents License, State of Florida

**PROFESSIONAL  
AFFILIATIONS**

RIMS – Risk and Insurance Management Society

PRIMA – Public Risk and Insurance Management Association

FGFOA – Florida Government Finance Officer Association; Qualified speaker for continuing education

Past: Daytona Beach/Halifax Area Chamber Board, Executive Director of Civic Ballet of Volusia County, President of Downtown Daytona Kiwanis, Literacy Council Board; Ormond Memorial Art Museum and Gardens Board

**Michelle Perry, CIC**  
Account Executive

**EXPERIENCE**

**Risk Management Associates, Inc. dba Public Risk Insurance Advisors (a wholly owned subsidiary of Brown & Brown, Inc.)**

February 2017 to Present. Public Risk Advisor

Responsibilities include analyzing risk exposures and coverage needs, development and design of individualized insurance programs, marketing and service of public entity programs, and relationship development with emerging insurance markets.

**Allstate Insurance**

2016-2017. Licensed Sales Agent

Service an existing book of business which includes payments, claims, endorsements, policy reviews, cross sales and more. Expanding new business by networking with prospective customers, building customer relationships and educating customers based off their insurance needs.

**EDUCATION**

Fitchburg State University-B.S. of Industrial & Organizational Psychology  
Certified Insurance Counselor (CIC)

Candidate for Associate in Risk Management- Public Entities

**LICENSES**

2-20 General Lines Agents License, State of Florida

2-15 Life, Health, and Variable Annuities License, State of Florida

6-20 All Lines Adjuster License, State of Florida

**PROFESSIONAL  
AFFILIATIONS**

Risk and Insurance Management Society (RIMS)

Public Risk Management Association (PRIMA)

Chamber of Commerce South Daytona

**Patricia B. Jenkins, CPSR**  
Public Risk Specialist

## **EXPERIENCE**

### **Risk Management Associates, Inc. dba Public Risk Insurance Advisors (a wholly owned subsidiary of Brown & Brown, Inc.)**

June 2010 to present. Public Risk Specialist

Responsibilities include working with mid-sized to large public entity clients. Handle requests for certificates of insurance, policy changes and endorsements, claims issues, and other daily servicing duties. Provide technical and clerical support for public entity service representatives.

### **N.T. Vincent Insurance**

2000-2010. Commercial and Personal Lines Account Manager. Managed several different lines of insurance such as Workers Compensation, General Liability, Commercial Property, etc. Administered clients. New business sales. Cross-selling. Processed accounting information.

### **Allstate Insurance Company**

1998-2000. Office Manager/Commercial and Personal Lines Account Manager. Handled Customer Relations. New Business Sales. Cross-selling. Managed Office. Duties included day-to-day activities including certificates of insurance, request endorsements, process new business, renewals, etc. Managed Staff.

### **Caton Insurance Agency, Inc.**

1996-1998 Commercial Lines Account Manager. Managed \$2 million book of business. Created renewal retention reports. Worked with Senior VP as agent. Created proposals for clients. Handle requests for endorsements, certificates, policy checking for accuracy, etc.

## **LICENSES**

2-20 General Lines Agent, State of Florida

## **EDUCATION**

Collin County Community College  
Certified Professional Service Representative, CPSR

**Robin L. Russell, CISR, CSRM**  
Director of Operations

**EXPERIENCE**

**Risk Management Associates, Inc. dba Public Risk Insurance Advisors (a wholly owned subsidiary of Brown & Brown, Inc.)**

April 2010 to Present. Director of Operations

Oversee day-to-day operations for support staff and operational issues. Supervisor of the Specialist Team, provide support for AMS procedures and training. Monitor processing procedures and maintain quality control standards for the office. Direct and support agency operational needs. Service of select accounts.

July 2004 to April 2010. Customer Service Representative

Responsibilities include working with mid-sized to large public entity clients. Handle requests for certificates of insurance, policy changes and endorsements, claims issues, and other daily servicing duties. Manage initial notices of claims. Track claims activity until adjusters close files. Help address conflicts that may arise from claimants, insureds, and carriers. Provide technical and clerical support for public entity service representatives.

**State Farm Insurance**

August 1998 to June 2004. Insurance Account Representative

Performed a range of insurance and financial sales and customer service functions. Handled the receiving, filing, and tracking the status of claims to facilitate appropriate resolutions, build customer satisfaction, expand account relationships. Clarified complex insurance terminology and procedures to educate customers. Responsible for incoming money and processed daily deposits. Trained and assisted all team members with day-to-day activities.

**EDUCATION**

Florida State University, BS Degree, Risk Management/Insurance and Finance  
Certified Insurance Service Representative (CISR)

Certified School Risk Management (CSRM)

Risk Management for Public Entities (RMPE)

FEMA Public Assistance Program

Candidate for Associate in Risk Management (ARM)

**LICENSES**

2-20 General Lines Agents License, State of Florida

2-15 Life, Health, and Variable Annuities License, State of Florida

1-20 Surplus Lines License, State of Florida

**Christopher H. Kittleson, ARM**  
Public Risk Underwriters  
561-715-6901 (Cell)  
ckittleson@publicrisk.com

**PROFESSIONAL PROFILE:**

Degreed Engineer with over thirty years of professional experience in industry. Major skills include:

Safety Program Development  
Regulatory Compliance  
USL&H/Jones Act

Safety Training  
Service Plan Development  
Multi-Line Experience

Accident Investigation  
Loss Trend Analysis  
Return to Work Programs

**CAREER EXPERIENCE:**

**Public Risk Underwriters of Florida, Inc., Lake Mary, FL**

Director of Loss Control Technical Services: Provide multi-line safety consultative services to public sector entities located in the southern region of Florida. Responsible for account profitability, as measured by Loss Ratio, which is obtained through on-site survey and hazard analysis and the effective development of service plans to reduce/eliminate claims frequency/severity.

**Meadowbrook Insurance Group, Sarasota, FL**

Sr. Loss Control Consultant: Provide Loss Control services to a heterogeneous book of Workers' Compensation clients in the state of Florida. Additional responsibility includes developing Agency relationships to increase growth of Florida region.

**The Power P.E.O. of Florida, Inc., Ft. Lauderdale, FL**

Loss Prevention Specialist: Directly responsible for establishing new client base in southeast region including developing Agency relationships to foster new business, assist with set-up/staffing of new Florida field office as well as provide safety & health consultative services to clients located in Florida and Georgia.

**Zenith Insurance Co., Orlando, FL**

Safety & Health Consultant: Directly manage a client base of over 100 clients in the southeast/west region of Florida. Responsible for account profitability, as measured by Loss Ratio, that was obtained through on-site survey and hazard analysis and the effective development of service plans to reduce/eliminate exposures. Required ability to work at all levels within client's organization to achieve target objectives.

**Liberty Mutual Group, Inc., Sunrise, FL**

Safety Consultant II: Provide safety consultative services to construction/industrial clients based in the south Florida area. Develop accident frequency/severity reduction programs and provide OSHA compliance support. Extensive knowledge of construction trades/general industry and working knowledge of CFR 1926/1910.

**NovaCare Employee Services, Inc., Bradenton, FL**

Loss Prevention Specialist: Provide safety-consulting services to over 150 clients in the southeast Florida region. Services include, work-site review & hazard analysis, loss trend analysis, safety program development, safety training, accident investigation, and claims support.

**City of St. Augustine Beach**  
**RFP 19-05 – Insurance and Risk Management**



**Bishops Services, Deerfield Beach, FL**

**Investigative Assistant:** Provide investigative support utilizing computer data base applications for due diligence, fraud, and background investigations.

**EDUCATION:**

B.S. Engineering Technology, St. Cloud State University, St. Cloud, MN. Class of 1979. Graduated Cum Laude.

Liberty Mutual Consulting Skills Seminar, OSHA 10-Hour General Industry Safety & Health Outreach, OSHA 30-Hour Construction Safety & Health Outreach, Practical Risk Assessment - Det Norske Veritas and Ergoweb's Applied Ergonomics Workplace Training Seminar. Working knowledge of Windows 2000, Microsoft Word, Publisher, Excel, Project Manager, Microsoft Internet Explorer and ModMaster with proficiency in the use of digital camera methods. Intimate knowledge of personal computer setup, configuration, diagnostics, and installation.

**DESIGNATIONS:**

Associate in Risk Management (ARM)

**Licenses:**

State of Florida Real Estate Salesperson - #SI.634265

State of Florida Mortgage Broker - #MB417627

**AFFILIATIONS:**

American Society of Safety Engineers - Professional Member

**Tab 3**  
Technical Merit

**Description of the firm's approach to providing the types of services sought by the City.**

Our holistic approach consists of proactive activities and methodology focused on reducing the Total Cost of Risk.



For the City of St. Augustine Beach, PRIA is proposing coverage through the *Preferred* Governmental Insurance Trust, commonly referred to as *Preferred*. Since we are an independent broker, PRIA can provide competitive quotes from ALL interested and competitive insurers.

**Preferred Safety and Risk Management Services**

The success of any public sector community is tied to its ability to protect and preserve its human physical assets. This basic premise serves as the cornerstone of an effective Safety Management program and underscores the importance of Safety and Risk Control to the community. *Preferred's* Safety and Risk Management Department is very aware of the valuable contribution a comprehensive safety and risk control program makes to the bottom-line of any organization.

At *Preferred*, Safety consultations originate with one basic thought—to recommend specific measures to minimize or eliminate the exposures that cause accidents. This does not mean that the workplace become no-risk utopias, but we expect our consultants to recommend measures to control and minimize all types of accidents, injuries and illnesses to our *Preferred* members' operations and premises.

*Preferred* is dedicated to meeting the challenge of the complex issues facing public sector organizations. Disarming these issues and converting them into solutions which work to the advantage of our goal. *Preferred's* approach to risk control incorporates the following elements:

- **Exposure Identification** – Assist management in determining areas where a chance of loss might exist through cause trend analysis, work site evaluations, and facility inspections.
- **Exposure Measurement and Loss Analysis** – Loss analysis and a review of the consequences of the exposures will be considered to develop alternative methods of control.
- **Determination and Selection of Appropriate Risk Control Methods** – Based on measurement and analysis, specific recommendations and/or custom designed risk control plan will be formulated. OSHA, as well as other Agency Standards will be applied and/or used as a “Best Practice” measure when designing and formulating safety and risk control plans.
- **Training and Safety Management Consulting** – After considering client needs specific services and/or training will be formulated and initiated to fit the client's need. Key Personnel or specialty consulting services with the knowledge and skills needed to meet those identified needs will be provided.
- **Additional Consulting Services Available** – *Preferred's* Safety & Risk Management has other services available that may benefit our clients. These services include security evaluations and review of existing safety and risk programs.

*Preferred's* Safety and Risk Management Department evaluates the unique needs to each client, ultimately designing a program that is capable of being integrated into the overall safety and risk control efforts of each client. *Preferred's* dedication to the problem-solving approach is the foundation of their Safety and Risk Management Service.

## PRIA Clients have a subscription to our Weekly Newsletter



The Weekly Rundown

## News for Risk Managers

July 1, 2019

### What Passed, What Didn't: New Florida Laws Taking Effect July 1

The Florida Legislature looked at and passed many pieces of legislation in the 2019 session that will impact the insurance industry. The following are summaries of what passed — and what didn't.

### 5 things your emergency response plan needs to keep you afloat during flooding

If your restaurant doesn't have a disaster preparedness plan with specific contingencies for dealing with floods, there's no time like the present.

### Macy's wrongly fires employees over minor convictions: suit

Macy's unfairly treats old, minor convictions as reasons to deny jobs to potential employees of color, a new lawsuit charges.

### Ohio Senate strips PTSD coverage for first responders from Workers' Comp budget

The Ohio Senate balked at mandates in a House-passed budget to provide workers' compensation for first responders diagnosed with post-traumatic stress disorder and to make all injured workers declare their immigration status.

### Baltimore approves \$10M in funding for cyber attack relief

Baltimore City officials approved using \$10 million in excess revenue to cover the ongoing cost of the cyber attacks that immobilized some of the city's systems almost two months ago.

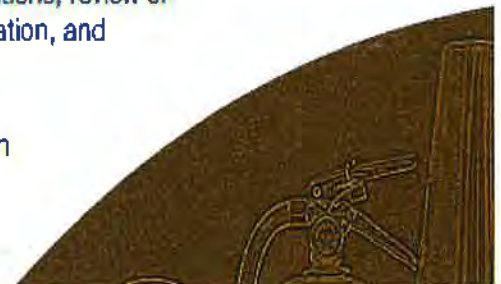
Public Risk Insurance Advisors • 220 S. Ridgewood Ave, Ste 210 • Daytona Beach, FL • (386) 252-6176

## **A Myriad of Loss Control, Safety, and Risk Management resources are available. Illustrated herein are just a few:**

Having a comprehensive safety and risk program in place can greatly benefit your municipal or school organization. Our safety and risk management services are designed to allow Preferred members to improve safety in the workplace, control risks, and prevent accidents.

### **Safety and Risk Management Services Include:**

- **Exposure Identification** - Assist members in determining areas where a chance of loss exists through cause trend analysis, work site evaluations, and facility inspections.
- **Exposure Measurement and Loss Analysis** - Loss analysis and a review of the consequences of the exposures will be considered to develop alternative methods of control.
- **Determination and Selection of Appropriate Risk Control Methods** - Based on measurement and analysis, specific recommendations and/or a custom designed risk control plan can be formulated. OSHA, as well as other Agency Standards will be applied as a "Best Practice" measure when designing and formulating safety and risk control plans.
- **Training and Safety Management Consulting** - After considering the members needs, specific services and/or training will be formulated and initiated to fit the members needs. Specialty consulting services and/or key personnel with the knowledge and skills needed to meet those identified needs can be provided.
- **Timely topics and New Technology** - We provide educational seminars and webinar events, comprehensive online training, and knowledge websites.
- **Additional Consulting Services Available** - Services include security evaluations, review of existing safety and risk programs, special health and safety event participation, and safety and risk related information research.
- **Member Exclusive Safety & Risk Materials and Resources** - Self inspection checklist forms, safety related articles, safety posters, extensive safety video library, auto accident claim reporting kits (for auto coverage members), and much more.





## 2019 MEMBER EDUCATION DAY

When: Thursday - April 4, 2019  
Time: 8:30 AM - 3:00 PM

Where: Marriott Orlando World Center  
8701 World Center Drive  
Orlando, FL. 32821

*All Preferred Members and Agents are Encouraged to Attend this FREE Event*

### Event Topics & Presenters:

Get Compliant or Get Sued! - The ADA and Public Entity Websites

Michael J. Roper, Esquire & Sherry G. Sutphen, Esquire - Bell & Roper, P.A.

Mental Hygiene in the Workplace: Building Mindfulness through Collaboration

Ryan S. Gallik - Firefighter/Paramedic, EMT-P, FD-HSO, FD-ISO - Ryan Gallik & Associates, LLC

A High Priority... Medical Marijuana in the Workplace

Angelo M. Filippi, Esquire & Seth A. Hyman, Business Development/Special Projects Director - Kelley Kronenberg

Workers Compensation Fraud: What Employers Need to Know and Prove

George A. Helm, III, Esquire - Bolton & Helm, LLP

The #Me Too Movement and it's Impact in the Workplace

Jack McCalmon, Esquire - The McCalmon Group, Inc.

Risk Manager's Defense Toolbox for Discovery: How to Choose the Tool that's Right for You!

Amy Siegel Oran, Esquire - Kelley Kronenberg

Emerging Exposures in the Public Entity Market Space

Lauren Tredinnick, National Accounts Underwriting Manager for Alternative Market Risks - Munich Re America



TargetSolutions delivers employee training  
that helps public entities mitigate risk,  
reduce claims and save money.

## ONLINE COURSE CATALOG : TABLE OF CONTENTS

Welcome to TargetSolutions' course catalog. This document lists courses offered for members of Preferred through the TargetSolutions platform. If you have any questions, please contact us at (800) 840-8048.

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## HR & CYBER SUPPORT CENTER

The Preferred Human Resource & Cyber Support Center is available to those members that have their POL/EPLI or ELL/EPLI coverage with the Trust. The Support Center is an employment law and cyber security focused resource designed to control costs, save time, and complement the valuable services that Preferred provides. The resources provided by the Support Center allows members to save thousands of dollars annually.

### HUMAN RESOURCE (HELPLINE) SERVICES INCLUDE:

- Confidential, documented responses to employment law questions from Florida based attorneys who are experts in Human Resource and employment law
- Online Unlawful Harassment Training for all supervisors and employees
- A Florida specific employee handbook building tool
- HR Express Updates including popular Questions of the Month and HR Alerts
- Customizable HR risk management resources including Federal and State forms and posters
- Plus more

### CYBER SECURITY RESOURCES INCLUDE:

- Breach HealthCheck® – Measurable data breach exposure and protection with instant feedback
- Robust privacy and security templates, including a customizable incident response plan (IRP), which can be specifically tailored to meet industry and regulatory requirements
- Resources for keeping staff up to date on a range of issues related to privacy, data security and compliance
- Latest news and events regarding data breaches, regulations, class-action lawsuits, cyber threats and protective technologies

### ADA WEBSITE COMPLIANCE RESOURCES INCLUDE:

- ADA Compliance Fact Sheet & Checklist - Resource tools to review an organization's online presence
- WAVE® by WebAIM Accessibility Evaluation Tool - Evaluate accessibility of an organizations webpage



# 2019

## Risk Management & Loss Control Services Guide



*Exclusively for*

**Preferred**  
PGIT GOVERNMENTAL  
INSURANCE TRUST

*Members*

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## Introduction

The Services Guide is designed to outline the resources and services that are provided by Public Risk Underwriters of Florida, Inc. for the members of the Preferred Governmental Insurance Trust.

Public Risk Underwriters Loss Control Consultants are available to assist Preferred members with comprehensive safety and risk management related issues. These include safety program review/evaluation, safety surveys/inspections and safety training program development and implementation. A comprehensive offering of the safety and risk management resources available as described in this guide.

In order to effectively serve our members we will implement the following additional measures as needed:

- Assist our Underwriting Department in targeting additional product applications that may be beneficial to our customers through field analysis.
- Maintain effective relationships with agents by keeping them informed of each member's resource requirements and service needs.
- Work closely with PGCS Claim Services to share information and refine data that is utilized to evaluate our members and target specific areas where services may be required to assist in improving retained losses.

It is of paramount importance that the level of service that we provide meets or exceeds the expectations of our clients. We take a pro-active approach to servicing our accounts and encourage you to contact us with your thoughts and input.



## Public Risk Underwriters of Florida Loss Control Consultants & Service Regions

### **Chris Kittleson – Director of Loss Control Technical Services**

**Cell: (321) 525-0353 / Email: ckittleson@publicrisk.com**

Christopher H. Kittleson is the Director of Loss Control Technical Services and provides Loss Control services for public entities in the southeastern Florida region. With over 21 years of safety & health consulting experience Chris has developed industry expertise in the areas of Construction, Manufacturing, Fleet Safety and USL&H as well as safety programming expertise in the areas of Safety Program Development, Return to Work Programs, Regulatory Compliance, Accident Investigation and Safety Training. Chris graduated Cum Laude from St. Cloud State University, St. Cloud, MN with a Bachelors of Science in Engineering Technology, has earned his Associate in Risk Management (ARM) is a National Safety Council Certified Defensive Driving Course Instructor and Certified Playground Safety Inspector (CPSI), an active member of South Florida PRIMA, as well as a Professional Member of the American Society of Safety Professionals (ASSP) and was awarded the 2013 Safety Professional of the Year Award by the South Florida Chapter of ASSP.

**Chris services the Southeast Regional members located within the following Florida Counties:**

Brevard, Broward, Dade, Indian River, Martin, Monroe, Palm Beach, St. Lucie

### **Pam Hancock – Senior Safety & Risk Management Consultant**

**Cell: (321) 960-3432 / Email: phancock@publicrisk.com**

Pam has worked in the insurance field for the last 22 years of her career. The last 10 years with Public Risk Underwriters of Florida, Inc. Her experience includes working in Program Development, Marketing, Training and Liaison between Members and Underwriting and Claims and of course Risk Management. She has completed the 10 hour OSHA Outreach Training course in General Industry Safety and Health, and most recently completed Fundamentals of Employment Law with State College of Florida. Her educational background is in Business and Computer Programming. She is an active member of Southwest Florida PRIMA, as well as a Professional Member of the American Society of Safety Professionals (ASSP). Pamela has a true passion for working with members and helping them to accomplish their goals.

**Pam services our Southwest Regional members located within the following Florida Counties:**

Charlotte, Citrus, Collier, DeSoto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Manatee, Lee, Okeechobee, Osceola, Pasco, Pinellas, Polk, Sarasota

**Mike Marinan – Director of Member Services**

**Phone: (321) 832-1473 / Cell: (407) 725-6858 / Email: [mmarinan@publicrisk.com](mailto:mmarinan@publicrisk.com)**

Mike has a degree in Industrial Safety Engineering and over 35 years experience in the Safety and Risk Management field. He has been employed by Public Risk Underwriters of Florida, Inc. for 17 years. He holds an RMPE designation, holds a General Lines 220 and 218 licenses, is an active member of Central Florida PRIMA, as well as an active member of ASSP and numerous related Safety and Health organizations. He was a Governor appointee to the Task Force on Workplace Safety.

**Mike services the Panhandle/Central Region members located within the following Florida Counties:**

Alachua, Baker, Bay, Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Lake, Leon, Levy, Liberty, Madison, Marion, Nassua, Okaloosa, Orange, Putnam, Santa Rosa, Seminole, St Johns, Sumter, Jackson, Jefferson, Lafayette, Lake, Leon, Levy, Liberty, Madison, Marion, Nassua, Okaloosa, Orange, Putnam, Santa Rosa, Seminole, St Johns, Sumter, Suwanee, Taylor, Union, Volusia, Wakulla, Walton, Washington

**Mike Stephens - Senior Loss Control Specialist**

**Phone: (321) 832-1658 / Email: [mstephens@publicrisk.com](mailto:mstephens@publicrisk.com)**

Mike has worked with Public Risk Underwriters of Florida, Inc. for the last 15 years. Prior to working with Preferred Mike worked within the health insurance industry. Mike has completed the OSHA #501 Trainer Course in Occupational Safety and Health Standards for General Industry and has attained certification as a Safety Auditor through The National Association of Safety Professionals. Mike's safety awareness and resourcefulness are what make him an essential part of the Safety & Risk Management team. Mike is the support specialist for the Loss Control team and resources/services coordinator for all members.



## Safety & Risk Management Services Overview

The success of any Public Entity is tied to its ability to protect and preserve its human and physical assets. This basic premise serves as the cornerstone of an effective safety and risk management program and underscores the importance of safety and risk management to the community. Public Risk Underwriters of Florida Loss Control Department is very aware of the valuable contribution that a comprehensive Loss Control Program makes to the bottom-line of any organization.

To better serve our members we provide a full complement of products, services and support. All available at no cost that includes the following:

### **Safety Consultative Services**

The Preferred Loss Control Team provides safety consultative services based on the Best Practices of Accident Prevention and Claims Management. Through the development and implementation of a customized Service Plan, your Loss Control Consultant will assist you and your organization in reducing accident frequency/severity as well as controlling insurance costs.

### **Claims Management**

Your Public Risk Underwriters of Florida Loss Control Consultant will assist with the coordination of Claims Reviews and Claims 101 training which are provided by Preferred Governmental Claims Solutions (PGCS). The intent is to assist members with posturing claims for positive outcomes as well as educate members on the Best Practices of Claims Management respectively.

### **Preferred TIPS Program**

Provides a reimbursement of up to 50% for relevant safety equipment/risk management training up to a maximum of \$5,000 per policy period.

### **On-line Learning Center**

An on-line training platform offering more than 600 training courses covering topics related to HR/ Employment Practices, OSHA Compliance, Motor Vehicle Safety, Office Productivity, Business Skills and Project Management. In order to comply with OSHA's policy on training standards, an extensive list of courses is available in Spanish.

### **Streaming Video Training**

An on-line video streaming service offering an extensive video library of over 680 videos that allows you to watch videos on your preferred mobile device. Topics include transport safety, hazmat, workplace safety, construction safety and human resource/legal compliance.

### **Preferred HR & Cyber Support Center**

Available to members that have their POL/EPLI or ELL/EPLI coverage with Preferred. The Support Center provides access to numerous resources on employment law, cyber security, and ADA website compliance as well as access to Florida based attorney's with expertise in Labor/Employment Law.

#### **My Community Workplace**

A valuable on-line resource that provides up-to-date information, expert commentary, cutting edge training and information on topics ranging from Workplace Sexual Harassment and Workplace Discrimination to Wrongful Termination, Ethical Behavior and Child Protection. Several school specific resources can be accessed on My Community as well.

#### **Preferred Seminars/Webinars**

Educational seminars/webinars offered throughout the policy year on relevant topics that include presentations by Public Entity experts and Preferred's Panel of Defense Attorneys.



## Public Sector Safety Program

The purpose of the Public Sector Safety Program is to outline an effective way to establish and enhance safe work practices for your employees, identify and control occupational hazards, and prevent or reduce on-the-job illnesses and injuries. The program contains eight elements which include the necessary instructional forms and step-by-step requirements needed to establish the basic framework for a solid Safety Program.

### The Eight Elements:

- Management Commitment and Worker Involvement
- Safety Committees
- Safety and Health Training
- First Aid (training can typically be provided by your local Fire Department or Red Cross Chapter)
- Accident Investigation
- Record Keeping
- Safety Rules, Policies and Procedures
- Employer Self-inspection and Job Hazard Analysis

### The Program Will Help You to:

- Improve workplace safety awareness
- Involve employees and encourage participation and feedback in problem solving
- Evaluate the general and specific safety training needs of your employees
- Analyze physical conditions and work practices that lead to accidents and injuries
- Identify hazardous conditions and establish preventive and protective measures
- Comply with state and federal safety standards and regulations

### The Benefits of Implementing This Program May Include:

- Reducing the cost of workers' compensation insurance premiums
- Reducing medical treatment costs and lost work or production time
- Reducing the incident or severity of workplace illnesses and injuries
- Reducing liability costs associated with work processes and conditions
- Improving workplace morale and productivity

## Safety and Risk Training Programs

Preventing workplace injuries/accidents and reducing/eliminating liability exposures is a key component to an effective safety program. Your Public Risk Underwriters Loss Control Consultant can show you how your municipality or governmental agency can benefit from our extensive safety training program offering to help your organization achieve its safety performance goals. Through the use of Target Solutions and Training Network Now Video Streaming, safety training can be developed on an organizational/department level and delivered directly to your employees. Each program is designed to assist your employees in recognizing potential safety issues, unsafe work behaviors, and obtain new levels of safety awareness and performance.

### Training topics include:

- Accident Investigation
- Basic Electrical Safety
- Hand/Power Tool Safety
- Job Safety Analysis (JSA)
- Personal Protection Equipment (PPE)
- Office Safety
- Ladder Safety
- Heat Stress
- Lock Out/Tag Out
- Trenching Safety
- Workstation Ergonomics
- Blood Borne Pathogens
- Safe/Defensive Driving
- Back Safety/Proper Lifting
- Emergency and Hurricane Preparedness
- Hazard Communications / Right-to-Know
- Confined Space Entry



This is just a sample of our training topics. Various types of onsite training are available as well.

Please contact your Public Risk Underwriters Loss Control Consultant if you would like to receive further details about these valuable training tools as well as others that are available to assist you with your training initiatives.

## Onsite Safety Survey Program

Our Loss Control Department is available to assist members with conducting safety surveys/inspections. The primary goal is to identify unsafe conditions and/or unsafe behavior that could contribute to an accident, injury and/or illness. General surveys/inspections can be provided as well as surveys/inspections with a specific emphasis, i.e. slip, trip & fall hazards. We have developed safety inspection checklists to assist our members in providing regular and reoccurring inspections on a proactive basis. These checklists will allow the member to proactively identify workplace safety hazards and provide corrective action before an accident, injury and/or illness occurs.

- Public Beach
- Cafeteria / Kitchen
- City Hall
- Public Dog Park
- Fire Station
- Meeting / Exhibit Hall
- Public Park
- Park Trails
- Playground
- Police Station
- Schools
- Skate Park
- Sports Complex (indoor)
- Sports Complex (outdoor)
- Public Swimming Pool
- Trenching & Shoring
- Public Utilities
- Vehicle Maintenance Garage



**We can assist in  
finding and reducing  
the hazards!**

## Health and Safety Fair Participation

Planning a special event for your employees? If so, let us know! Public Risk Underwriters of Florida's Loss Control Department will consider all invitations pertaining to participation in your upcoming annual employee health & safety fairs.

Our participation in your special event could possibly include one or more of the following:

- Safety related displays, demonstrations and/or presentations
- Safety related hand-out materials, such as booklets and brochures
- Special event promo give away items
- Gift donation per event raffle/prize drawing

Please contact your agent or Public Risk Underwriters of Florida Loss Control Consultant for further details on how we may be able to take part in your upcoming employee related special events.



## Safety and Risk Related Information and Research

Are you looking for answers to specific questions related to public sector safety and risk management? Are you either having a difficult time finding it, or don't have the necessary time to properly conduct the research to find the answer?

If so, please let us assist you in finding the answer through the use of our public sector network capabilities and safety & risk research initiative. Our business relationships with other public entity experts allows us access to numerous in-state and national governmental entity services to find the answers, resources, or materials you are in search of. Please contact your regional Loss Control consultant with any questions that you may have.



## Claims Management & Training

The Preferred Governmental Claims Solutions (PGCS) provides members with the ability to more effectively manage their claims. By accessing the online claims management database members can report claims online, obtain copies of loss runs, create reports to monitor trends, review claim notes to get up to date information on a claim as well as determine claim status.

### Registering for PGCS Online Claims Data Access:

To register, just go to [www.pgcs-tpa.com](http://www.pgcs-tpa.com) and click the Member/Client button. Then click Register and complete the form. Once the form is complete, click Register again and you will see the Website Access Terms and Agreements. Read them, click the checkbox to accept them, then click submit.

The next page asks you to print the acceptance form. Print, sign it, and mail it to the indicated address.

Upon receipt of the form, Senior PGCS Management will review the registration, determine the appropriate parameters for the account and authorize the webmaster to activate it. Once authorized, the webmaster will apply those parameters to the account settings, activate the account and notify the client by email.

### Loss Control Assistance with Claims Management:

Upon activation upon the online claims management database your Regional Loss Control Consultant is available to assist you with claims management activities that include the following:

- On-site registration assistance with the PGCS claims database
- PGCS database training to include database features/benefits, report generation as well as current claims status
- Coordinate Claims Review by line of coverage
- Coordinate Claims 101 Training
- Assist with the development/implementation of your Return to Work (RTW) Program
- Assist with the development/implementation of your claims reporting policy
- Conduct Worker's Compensation Fraud training



## Safety Resource Materials



- Monthly Safety Bulletins that can be shared with fellow staff on workplace safety and risk management topics such as Personal Protective Equipment, Safety Committees, and ADA Compliance.
- Safety Times Reproducible Safety Articles that can be used internally for newsletters, safety meetings, safety e-mail alerts, and other ways to promote safety. The articles will benefit your organization by providing your employees with knowledge and skills on avoiding off-the-job accidents. This can prevent on-the-job accidents by fostering a 24-hour safety attitude. Your organization can benefit by reducing loss expenses, and increasing productivity.
- Auto Accident Claim Reporting Kit for those members that carry automobile coverage through Preferred. The kit is designed to assist drivers in collecting accurate data at the scene of an accident in order to aid in the expediting of claims processing. At least one kit should be stored in each covered vehicle's glove compartment or other easily accessible storage area.
- Post Traumatic Stress Disorder (PTSD) Awareness Poster for First Responders.
- Workplace Safety Posters constructed of heavy duty glossy finish paper that measure 17"x 22". These posters may be ordered as a set, or ordered per each title. Currently, the following poster titles are available:
  - Avoiding Falls
  - Back Safety
  - Chemical Safety
  - Confined Spaces
  - Electrical Hazards
  - Ergonomics
  - Fire Safety
  - Heat Stress
  - Machine Safety
  - Materials Handling
  - PPE
  - Safe Driving

## Preferred TIPS

The Preferred TIPS program is a reimbursement program with matching training/safety incentives that can be applied for by any current member of Preferred. Each entity is eligible to apply for a matching incentive of up to \$5,000 per coverage year. Additional program information and requirements can be found on the current Preferred TIPS application.

Examples of eligible reimbursements include:

- Safety related signs
- ADA compliance measures
- Police accreditation program fees
- Driver training
- Ergonomic training
- Sidewalk repairs
- Most any safety related training or equipment
- Employment practices related training

Once an application is received the Preferred TIPS Program Committee will determine the relevance of the training/safety purchase against the lines of coverage purchased by the member. The committee will also consider the information provided in the application.

Please contact your regional Loss Control Consultant or send email to [PreferredTIPS@publicrisk.com](mailto:PreferredTIPS@publicrisk.com) should you have any questions, need additional assistance, or be in need of a copy of the Preferred TIPS application.



## Online Learning Center



Effective training and records management is vital in today's workplace. Reducing claims, controlling losses and streamlining efficiencies are critical. In an effort to provide support for these initiatives, Preferred provides our members with innovative web-based training platforms.

**Features and benefits of Online Learning powered by Target Solutions include:**

- Access to more than 600 training courses in English and Spanish covering topics related to HR/ Employment Practices, OSHA Compliance, Motor Vehicle Safety, School Safety, Office Productivity, Business Skills, and Project Management utilizing an extensive web-based library. Our Online Training provider is committed to helping members to deliver training, ensure compliance and reduce risk by streamlining and automating the training management process.
- Online Training enables members to define, measure and monitor key risk metrics that help keep their employees safe and protect assets. With the platform, Onsite Administrators can create risk mitigation tools specific for their organization, making it possible to analyze the fundamentals and take action where needed.
- Our web-based training management platform is accessible 24/7. Users can navigate captivating, cross-browser compatible courses with cutting-edge interactions at a pace and time that is convenient for them.
- Our Risk Management Platform makes it possible for Member Onsite Administrators to assign and deliver online training courses to their users. The system also provides the ability to track, document and report assignments. Tracking training, generating reports and analyzing deficiencies has never been easier.
- Our provider's technology platform features a dependable and powerful cloud-based system. It delivers 99.95 percent uptime, delivering a fast and reliable experience for users. Their backup datacenter has been strategically positioned to secure production infrastructure.

If you would like further details on this valuable resource tool, please contact you Regional Loss Control Consultant or Michael Stephens, Senior Loss Control Specialist at email: [mstephens@publicrisk.com](mailto:mstephens@publicrisk.com) or phone: (321) 832-1658.

## Streaming Video Training

This training resource gives our members unlimited access to Training Network NOW's extensive video streaming library of videos covering workplace safety, driving safety, construction safety, and human resource/legal compliance. Video titles are available in both English and Spanish to support your organizations training initiatives. Features of Training Network Now streaming video service include:

- An easily accessible, extensive video library of over 680 videos
- Video course materials to include leader guides, quizzes and completion certificates
- Tablet & Mobile Capable – Now you can watch videos on your preferred mobile device, such as tablets and smartphones

As part of Preferred's initiative to provide continuous improvements for products/services offered to our members, we highly encourage you to considering utilizing the Training Network NOW video streaming service to assist you with your safety and risk management training needs.

To learn more on how your organization can take advantage of this exciting free training resource, please contact Mike Stephens, Sr. Loss Control Specialist, at Ph: 321 832-1658 / Email: [mstephens@publicrisk.com](mailto:mstephens@publicrisk.com), or your respective regional Loss Control Consultant.



## HR & Cyber Support Center

The Preferred HR & Cyber Support Center is available to members that have their POL/EPLI or ELL/EPLI coverage with Preferred. The Support Center is an employment law and cyber security focused resource designed to control costs, save time, and complement the valuable services that Preferred provides. The resources provided by the Support Center allows members to save thousands of dollars annually.

### Human Resource (HELPLINE) Services Include:

- Confidential, documented responses to specific employment law questions from Florida based attorneys whom are experts in Human Resource and Employment Law
- Online Unlawful Harassment Training for all supervisors and employees
- A Florida specific employee handbook building tool
- HR Express Updates including popular Questions of the Month and HR Alerts
- Customizable HR Risk Management resources including Federal and State-specific forms and posters

This is just a sample of the HR topics that members will be able to obtain valuable assistance with:

Americans with Disabilities Act (ADA)	Immigration Laws and Issues	Recognition Programs
Affirmative Action Plans	Interviewing	Regulatory Compliance (State & Federal)
Age Discrimination (ADEA)	Layoffs	Religious Issues
Background & Employment Screening	Management & Employee Development	Retaliation
Benefit Continuation (COBRA)	Marital Status	Safety Procedures & Practices
Compensation	Military Leave (USERRA)	Sexual Harassment
Disability Claims & Issues	National Origin & Language Issues	Sexual Preference & Orientation Issues
Discrimination Payroll	Payroll	Termination & Discharge
Drug Testing	Performance Management	Training
Employee Turnover	Personnel Files (Content & Handling)	Unemployment Compensation
Exempt/Non-Exempt Issues (Overtime)	Physical Appearance Issues	Union Relations – General Inquiries
Facility Closure	Pre-Employment Behavioral & Skill Testing	Wage/Hour (Federal) – (FLSA)
Family and Medical Leave laws (FMLA)	Pregnancy	Wage/Hour (State)
Fraud/Theft/Shrinkage	Privacy of Documentation (HIPAA Issues)	Workers Compensation
Gender Issues	Progressive Discipline Situations	Workplace Violence
Hiring Practices	Racial Issues	

### Cyber Security Resources Include:

- Breach HealthCheck® – Measurable data breach exposure and protection through instant feedback
- Robust privacy and security templates, including a customizable incident response plan (IRP), which can be specifically tailored to meet industry and regulatory requirements.
- Resources for keeping staff up to date on a range of issues related to privacy, data security and compliance
- Latest news and events regarding data breaches, regulations, class-action lawsuits, cyber threats and protective technologies

### ADA Website Compliance:

- ADA Compliance Fact Sheet & Checklist - Resource tools to review an organization's online presence.
- WAVE® by WebAIM Accessibility Evaluation Tool - Evaluate accessibility of an organizations webpage.

Members that have their POL/EPLI or ELL/EPLI coverage with Preferred may register to utilize this valuable service by going to <https://pgit.hrhelpline.com/App/>, or by calling (877) 568-6655 to speak with a HR & Cyber Support Center representative.

## My Community Workplace Website

The My Community Workplace website is available to all Preferred members. The site is a free online resource that can save you time and money by providing cutting edge training and information for your workplace. Members may register to use this valuable resource by going to [www.mycommunityworkplace.org](http://www.mycommunityworkplace.org).

### Web Based Training

Online training modules for managers and supervisors are available 24/7 at no cost to the member. This could result in a potential savings of thousands of dollars a year in training costs.

Training courses available:

- Preventing Workplace Sexual Harassment
- Preventing Workplace Discrimination
- Preventing Wrongful Termination
- Promoting Ethical Behavior
- Promoting Child Safe Environments

### Up-to-Date Information and Expert Commentary

Topics Include:

- Best practices for employment practices and child protection
- Leadership and management skills
- Healthy lifestyle and safety
- Exclusive articles written for the specialized interests, such as government entities, schools, and not-for-profits

### Student Protection Zone

The Student Protection Zone enhancement will help schools protect students from bullying, cyber bullying, hazing, harassment, sexual abuse and other risks. The Student Protection Zone is a first-of-its-kind functionality that provides weekly education, expert commentary and state-specific reference information.

### Knowledge Vault

- Library and Checklists – Thousands of articles covering vital workplace issues, grouped according to topic, as well as self-audit checklists
- Links to important federal and state government websites
- Model Handbook – Over 95 model policies on workplace issues ranging from Equal Employment Opportunity to Social Media (certain key policies are available in English and Spanish).
- Loss Scenarios – Examples of situations that have caused liability for organizations like yours

### My Workplace

This part of the site can be set up to communicate information and policies to the employees of an organization registered on My Community Workplace.

### Control Panel

- This feature allows the site administrator to adapt the site to match the needs of his/her organization:
- Add or recruit additional users
- Change default training settings
- Upload organization's own employee policies into training modules
- Monitor training progress of the organization's registered users and download training reports

Notice: [Mycommunityworkplace.org](http://Mycommunityworkplace.org) is a product of The McCalmon Group, Inc., platform administrator solely responsible for its content. Please contact The McCalmon Group, Inc. should you have questions regarding the website at 1-888-712-7667.

# PROPERTY APPRAISAL SERVICES

Preferred Governmental Insurance Trust is pleased to provide property appraisals to our members. Appraisals will be conducted by a nationally recognized appraisal firm. Accurate valuation of property is important for protecting member assets, ensuring insurance-to-value, and allowing for “blanket” coverage to be in place.

## APPRAISAL SERVICE HIGHLIGHTS:

- Building appraisals for all locations at no cost to Preferred members.
- Ongoing appraisal program for all members.

## Appraisal Services Include:

- Appraisal of Buildings/Structures
- Primary Cope Data (includes GPS Coordinates)
- Appraisal Data Recording
- Value Comparison Reports
- Modeling of Building Contents
- Classification of Flood Zones
- Secondary CAT Modeling Data



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## Scope of Services

In addition to our constant strive for client satisfaction, PRIA operates under strict corporate **quality control guidelines**. A few highlights of our service commitments that are expounded upon throughout this response:

- Same day – within 24 hours response to phone calls and emails.
- Budget requirements are developed prior to the fiscal year start. **We have never failed to develop an insurance program within budget goals.**
- Timeline for insurance proposals are carefully planned to meet agenda deadlines for public committee/commission meeting presentations and approvals.
- Provide proof of Insurance in force at all times.
- Annual Insurance Coverage Review

We take a very “hands on” proactive approach to our daily and long-term service objectives. We remain in constant contact with our clients and respond to any requests for assistance, typically in the **same day**. When a same day resolution cannot be achieved, we are prudent in our communications with clients to ensure resolution is achieved in accordance with our clients’ needs.

PRIA’s staff review all change requests for accuracy before those requests are submitted to the respective insurance carrier. We have developed a simple and easy to use Change Request form for customer changes to auto, equipment or property schedules. This provides for an efficient transaction and ensures that mistakes in insured values, description or type of assets are avoided. This form provides for an excellent transactional record of what was added or deleted and when the request was made.

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## Asset Management

We realize that most of our clients’ personnel perform multiple job functions. To lighten the administrative load, we have created and maintain asset schedules (vehicle, equipment and property) that are useful, easy to read and are accurate year-round. We have been proactive in establishing customer IDs for vehicles within our schedules including the specific department responsible for each item. Also included is the date that items were added or deleted. These added columns of information make it much easier to review schedules and to find specific items among many. Our process is to review and audit all schedules for accuracy.

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## Activity Management & Redundant Records

To maintain records of all account activities, PRIA utilizes the Vertafore AMS 360 agency management system. This system manages all aspects of account management including, billing, document management, communications, (emails, applications, written correspondence, etc.), marketing, claims, certificates of insurance and many other daily transactional activities. All pending items are suspended and completed in a specified time frame. This system is designed and maintained so that each service team member can service any account if a primary account representative is out of the office. To guarantee our ability to provide continuous uninterrupted service AMS 360 data is maintained in redundancy at an offsite location. If our office were to suffer a catastrophic loss, we could still operate at full capacity on a remote basis.

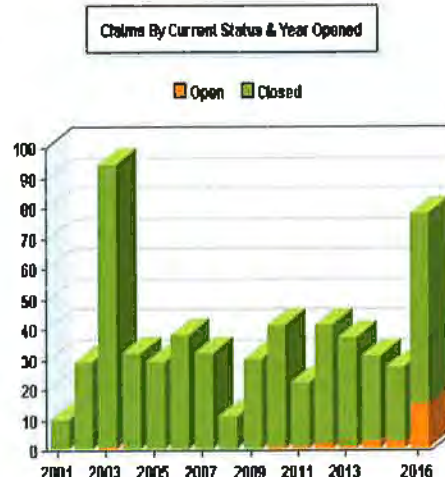
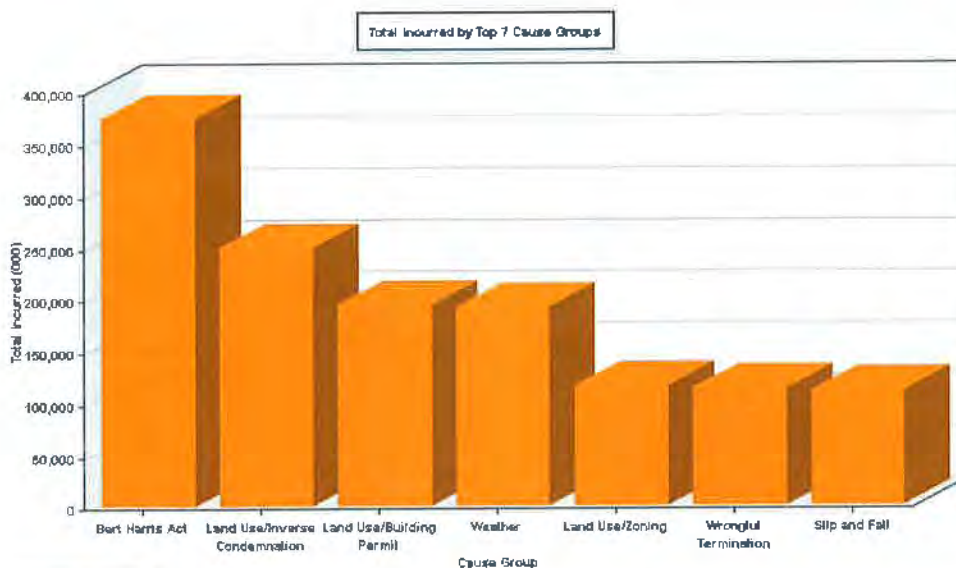
Our company is currently making a **significant investment in our technology offerings** not only to make both our operations and service offerings more robust, but also to provide our clients with the most secure and efficient processes.

### Description of the software and analytic capabilities of the firm.

PRIA utilizes the **Asset Management Program (AMP)**; proprietary software to which we subscribe and make readily available to our clients. This web-based system provides an efficient and secure platform for tracking and reporting property data. Uses include loss control, proof of loss documentation, Cat Modeling, historical tracking and insurance marketing. This is available, but not mandatory for our clients to use at no cost.

In addition, *Preferred* provides 24/7 online claims access for all members through PGCS Claims Services. Members can report claims via the website (**PGCS-tpa.com**), *Preferred* APP, fax, phone, or email. Real time alert notifications are provided on the *Preferred* APP via smart phone or tablet.

### Examples of claims analytics output:



**ModMaster** – PRIA subscribes to this software which provides analysis and forecasting for experience modification factors for Workers Compensation.

ModMaster®

## TAKE CONTROL OF YOUR WORK COMP COSTS WITH EXPERIENCE MOD ANALYSIS



Realize your company's full potential for cost savings with a complete mod analysis by PRIA. We can help you better understand your mod rating and determine just how much you could be saving on your work comp premiums. Using your loss history information we can work together to create a targeted loss control program to decrease your total costs.

### Cash in on your most powerful cost saving tool – the mod.

#### RE-EVALUATE YOUR GOALS

Remember, a mod score of 1.0 is only average – the equivalent of a "C" on a report card. Don't be satisfied with average. Target your cost centers, reduce your mod and achieve your best with loss control.

#### DISCOVER COST-DRIVERS

We expose problem areas and understand the full impact of the mod. We examine loss trends to better understand why your losses happen and how to prevent them. From there we can help you explore and act on opportunities for improvement.

#### ISOLATE AND IMPLEMENT

By refining our focus, we can develop powerful, customized loss control solutions. We make the most of strategic cost-saving opportunities to improve your work comp program and decrease your costs.

#### STAY AHEAD OF THE CURVE

Mod analysis can better prepare you for the future. Increase the accuracy of your cost allocation and risk management decisions. Know what to expect by forecasting for future concerns, like changes in payroll or loss trends.

Call **PRIA** to learn more today!

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Identification of the legal team(s) under contract to provide services in various disciplines.

City and Company must agree upon the legal firm for any employment disputes covered by any proposal award.

### **Liability Defense Attorney Panel**

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Quintairos, Prieto, Wood & Boyer, P.A.  
Ferman M. Fernandez, Esq.  
1 Independent Drive, Suite 1650  
Jacksonville, Florida 32202-5002  
(904) 354-5500  
[ffernandez@qpwblaw.com](mailto:ffernandez@qpwblaw.com)

Lydecker & Diaz, P.A.  
Richard Lydecker, Esq. // Onier Llopiz, Esq. // Mark Hendricks, Esq.  
4720 Salisbury Road  
Jacksonville, Florida 32256-6101  
(904) 493-6457  
[rl@lydeckerlaw.com](mailto:rl@lydeckerlaw.com) // [ol@lydeckerlaw.com](mailto:ol@lydeckerlaw.com) // [mh@lydeckerlaw.com](mailto:mh@lydeckerlaw.com)

### **Workers' Compensation Defense Attorney Panel**

---

Public Entity Legal Solutions  
Mr. George Helm III, Esquire  
P.O. Box 958464  
Lake Mary, Florida 32795-8464  
321-832-1400  
[ghelm@pelsusa.com](mailto:ghelm@pelsusa.com)

Broussard, Cullen, Degallier & Eagan, P.A.  
Mr. Michael Broussard, Esquire  
445 West Colonial Drive  
Orlando, Florida 32804  
407-649-8717  
[michaelb@bcdorlando.com](mailto:michaelb@bcdorlando.com)

Miller, Kagan, Rodriguez & Silver  
Mr. Mark S. Kluger, Esquire  
1060 Maitland Center Commons, Suite 280  
Maitland, Florida 32751  
407-571-1740  
[MarkK@MKRS.com](mailto:MarkK@MKRS.com)

# City of St. Augustine Beach

## RFP 19-05 – Insurance and Risk Management

**COST ALLOCATION ASSISTANCE:** Proposers are expected to assist the City and provide a sound method of cost allocation based on acceptable industry standards using the premium, exposures, and loss data. Billing premiums should be broken down by lines of coverage with all fees and charges clearly identified and directly associated with a line of coverage. Proposers are encouraged to provide examples of premium and servicing billing, as well as examples of sound cost allocation methods to aid the City with equitable distribution of the premium cost back into various funds and accounts.

Our team's desired position is to stand as an extension of the City's staff and remove the burden of allocation tasks that can be quickly broken out on our end. We can break the premiums down by individual exposure units, as well as by department to provide indications of equitable distribution for budgetary purposes. Below are various examples of premium breakdown and allocations, as well as a sample premium invoice.

### Sample Property Premium Breakdown/Allocation



Line of Coverage	Property
Policy Term	10/1/2017 - 10/1/2018
Policy Number	PK2 FL1 XXXXXXX 17-01

Total Building & Contents Premiums	\$134,435
Flood Premiums	\$4,484
EarthMovement Premium	\$1,922
Total Property Premium	\$140,841



#### Buildings

Unit Number	Description	City, State, Zip	Year Built	Building Value	Flood Premium	Bldg. & Contents Premium	Total Premium
	Address		Construction Type	Contents Value	Earth Movement Premium		
001	Restroom Sombbrero Beach Park	CITY, STATE, ZIP	2003 119-JM	\$113,850 \$0	\$17.43 \$7.47	\$704.33	\$729.23
002	(6) Pavilion Sombbrero Beach Park	CITY, STATE, ZIP	2002 101-Frame	\$81,200 \$0	\$13.97 \$5.90	\$670.91	\$690.57
003	(5) Pavilion Sombbrero Beach Park	CITY, STATE, ZIP	2002 101-Frame	\$88,000 \$0	\$15.01 \$0.43	\$720.61	\$742.05
004	Pavilion Sombbrero Beach Park	CITY, STATE, ZIP	2002 101-Frame	\$82,400 \$0	\$14.15 \$0.06	\$679.45	\$699.66

## Sample Automobile Premium Breakdown/Allocation



Line of Coverage	Auto
Policy Term	10/1/2017 - 10/1/2018
Policy Number	PK2FL1 XXXXXXXX 17-01

AL Hired & Non-Owned Prem	\$375
APD Hired & Non-Owned Prem	\$275
Total Vehicle Premium	\$18,317
Total Auto Premium	\$18,967



### Vehicles

Unit #	Department	Full VIN Year Make	Model & Description Reported Value	Vehicle Type	Coll Deductible Comp Deductible	Auto Liability Premium	Auto Phys Damage Premium	Total Auto Premium
001	PW/Street Maint	VIN # 2006 Ford	F350 Ext Cab \$29,117	Medium Truck	\$1,000 \$1,000	\$345	\$75	\$420
002	Parks & Rec	VIN # 2016 Chevrolet	Van \$28,643	Light Truck	\$1,000 \$1,000	\$317	\$74	\$391
003	Fire-Rescue	VIN # 2013 Ford	Ambulance \$176,950	Ambulance	\$1,000 \$1,000	\$600	\$194	\$794
004	Fire U14	VIN # 2006 Chevrolet	Silverado P/Up \$18,019	Light Truck	\$1,000 \$1,000	\$317	\$56	\$373
005	Fire-Rescue	VIN # 2007 International	4300 \$176,950	Fire Truck	\$1,000 \$1,000	\$311	\$194	\$505

## Sample General Liability Premium Breakdown/Allocation



Line of Coverage	General Liability
Policy Term	10/1/2017 - 10/1/2018
Policy Number	PK2FL1 XXXXXXXX 17-01

### Payroll Entries

Class Code	Payroll	Adjusted Rate (Rate x (Payroll/\$100))	Adjusted Premium
STREET OR ROAD MAINTENANCE	\$211,430.00	0.6645	\$1,404.95
MARINA & DRIVERS	\$258,569.00	0.6645	\$1,718.19
SANITARY OR SANITATION	\$797,409.00	0.6645	\$5,298.78
CLERICAL	\$1,067,299.00	0.6645	\$7,092.20
ATTORNEY - ALL EMPL & CLERICAL	\$149,283.00	0.6645	\$991.99
BULDINGS - OWNER OR LESSEE	\$91,580.00	0.6645	\$608.55
FIREFIGHTERS & DRIVERS	\$1,719,315.00	0.6645	\$11,424.85
PARK NOC -EMPLOYEES & DRIVERS	\$324,805.00	0.6645	\$2,158.33
MUNICIPAL NOC	\$791,235.00	0.6645	\$5,257.76
<b>Total</b>	<b>\$5,410,925.00</b>		<b>\$35,955.60</b>

City of St. Augustine Beach  
RFP 19-05 - Insurance and Risk Management



Sample Premium Invoice

Public Risk Insurance Advisors  
P. O. Box 2416  
Daytona Beach, FL 32115

SAMPLE, City of  
ADDRESS  
CITY, FL ZIP

INVOICE

Customer	City of 2178
Date	02/12/2018
Customer Service	Kyle Stoekel Danielle Coggon
Page	1 of 1

Payment Information	
Invoice Summary	59,347.50
Payment Amount	
Payment for:	Invoice#54163
PK2FL1 XXXXXXX 17-01	

Thank You

Please detach and return with payment

Customer:

Invoice	Effective	Transaction	Description	Amount
54163	03/16/2018	Installment	Policy #PK2FL1 xxxxxx 17-01 10/01/2017-10/01/2019 Preferred Gov Insurance Trust Business Auto - Renew policy 4,741.50 General Liability - Renew policy 8,989.00 Crime - Renew policy 250.00 Inland Marine - Renew policy 1,642.00 Public Officials & Employment Practices Liability - 9,530.00 Commercial Property - Renew policy 34,195.00	
				<b>Total</b>
				59,347.50

Thank You

Public Risk Insurance Advisors P. O. Box 2416 Daytona Beach, FL 32115	(386)252-6176	Date 02/12/2018
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**CLAIMS SERVICES:** Proposers are expected to provide prompt and professional claims service and are requested to submit information regarding claims services and should indicate locations, staffing, and case load of adjusters serving the City. The City is also desirous of prompt and accurate premium/claims data reports on a quarterly basis. Proposers are requested to provide sample reports and indicate frequency of such. Proposers should indicate the accessibility of online claim management/information.

PRIA takes an active role in claims management. We participate in claims reviews, mitigate claim issues, work directly with adjusters and defense counsel when necessary, and always seek to serve as an extension of our client's risk staff.

Loss control representatives provide for on-site training, safety audits, policy review, workers' compensation claim reduction and loss prevention other activities at the Staff's direction.

Preferred Governmental Claim Solutions, Inc. ® (PGCS) is the premier governmental third-party claims administrator in the state of Florida and also administers the claims for Preferred Governmental Insurance Trust (*Preferred*). Since its founding in 1956, PGCS has provided claims administration services exclusively to over 450 governmental entities including schools, cities, towns, counties, community development districts, and fire districts. Therefore, PGCS's adjusters are extremely qualified to handle governmental tort liability and public sector workers' compensation claims. They are experts at investigating and handling police and firefighters presumption claims. PGCS is sensitive to the politics involved in the handling of public entity claims.

PGCS's claims administration program consists of workers' compensation, general liability, bodily injury, personal injury, property, auto liability, auto physical damage, employment practices liability, school leaders/educator's liability and public officials liability. Their claims staff has over 630 years of combined insurance experience and each has been with PGCS an average of 8 years. Claims are handled under strict supervision in accordance with the PGCS workers' compensation and liability claim handling procedure manuals and the PGCS claim best practices manual. A random sampling of each adjuster's claim files are audited on a monthly basis by a **Quality Assurance Manager** to ensure compliance.

PGCS provides their clients with a dedicated **Subrogation Unit** to pursue reimbursements from at-fault third parties. Their current recovery rate is fifty-nine (59) percent of the claim costs expended. PGCS also has a dedicated excess reporting and recovery unit for communication to and securing reimbursement from the excess and/or reinsurance carriers. In addition, PGCS provides a state-approved Special Investigation Unit (SIU) to prevent and pursue fraudulent claims. PGCS offers rewards up to \$10,000.00 for the arrest and conviction of persons committing workers' compensation fraud. This service is provided via a twenty-four hour seven day a week hotline.

PGCS utilizes the RiskMaster system for claims processing. This system captures a wide variety of data, and allows the adjuster to enter an unlimited number of claim notes, process reserve changes, and issue claim payments. Customized reports can be obtained from PGCS's on-line system containing a multitude of data parameters that a client may choose to analyze. The system can be accessed by clients via their website at [www.pgcs-tpa.com](http://www.pgcs-tpa.com).

Communication with PGCS's clients is the cornerstone of their claims administration program. Professional adjusters, nurses, management, claim review meetings, 24/7 claim reporting, utilization of attorneys specializing in public entity defense, litigation management, and return to work programs are just a sample of how PGCS has set the standard for the industry.

PGCS is committed to partnering with their clients to provide professional and aggressive claim management programs. While they are recognized as the leader in the industry, PGCS is always striving to improve the quality of their programs and expand the services that they offer.

Detailed loss runs are available monthly and can also be accessed anytime online at PGCS-TPA.com. Custom reports are also available online and can be tailored to meet the City's needs. PRIA will liaise with adjusters, carriers, and TPA's and assist in coverage clarifications with underwriters as needed. We will prepare spreadsheets in FEMA format for catastrophes and be active in pre- and post-event communication.

Online claims access will be provided on all information relating to the claims. We also provide monthly detailed loss runs at the City's request.

## PGCS Dashboard

The screenshot displays the PGCS dashboard with a blue header featuring a dome icon and the text "PGCS, Your Preferred Source for Claim Solutions". Navigation tabs include "About Us", "Property", "Liability", "Workers' Compensation", and "Members/Clients". The main content area is titled "Welcome Kyle" and contains a message: "You can now enter all claims on line. For Workers' Comp click Report WC Claim. For others, click Report PKG Claim." Below this are links for "Report WC Claim", "Report PKG Claim", "List New WC Claims", "List New PKG Claims", "Reserve Changes", "Claim Lookup", "Loss Runs", "Charts", "Reports", "Loss Control", "Recovery", "Hurricane Watch", "Info", and "Leave". A search instruction states: "To search the latest claim information, complete one or more of the following fields. You may use partial entries. If a claim number includes hyphens, you must include them." The search form includes fields for "Client" (a dropdown menu showing "-- All Organizations --"), "Policy", "First Name", "Last Name", "SSN", "Claim Number", "Status" (a dropdown menu showing "All"), and "Accident Dates" (with "from" and "to" date pickers). A "Search" button is located below the fields. At the bottom right of the search area are links for "User Guide" and "Update User Info". A disclaimer at the bottom of the dashboard states: "By accessing the information contained on this website, the employer/client agrees to indemnify and hold PGCS harmless for any unauthorized and/or inappropriate use of information gained from his/her access. The information contained on this website, including attachments, is privileged and confidential. It is intended only for the exclusive use of authorized users, their designated employees, or agent. The information on this website is protected by work product or attorney-client privilege and is not public record. Any unauthorized access of this website, or any dissemination, distribution, or copying of information from this website is strictly prohibited. If you accessed this website in error, please notify us by telephone, immediately, at (800) 237-6617. Thank you." The footer contains the PGCS logo, contact information for PGCS Claim Services (P.O. Box 958496, Lake Mary, FL 32796-8496, 1-800-237-6617), and links for "Webmaster / Legal Notices / Privacy Statement / Site Map". A copyright notice at the very bottom reads: "Copyright 2005-2007 PGCS Claim Services All Rights Reserved".

## Loss Run Example

This is a sample of the workers compensation loss run which gives complete information about the claim without having to look up injury codes or codes for which body part was involved in the claim.

[Report WC Claim](#) | [Report PKG Claim](#) | [List New WC Claims](#) | [List New PKG Claims](#) | [Reserve Changes](#) | [Claim Lookup](#) | [Loss Runs](#) | [Charts](#) | [Reports](#) | [Loss Control](#) | [Recovery](#) | [Hurricane Watch](#) | [Info](#) | [Leave](#)

Fort Myers Beach FCRD | -- All Years -- | All Statuses | WC | -- All Coverage Types -- | -- All Policies --

Show Detail: ☐ Simple ☒ Full

Show Levels: ☒ Claims ☐ Dept Totals ☐ Policy Totals ☒ Year Totals ☐ Member Totals ☐ Insurer Totals

[Refresh](#) [Export Formatted](#) [Export Raw Data](#)

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Member Experience Report  
April 17, 2019

Insurer - PGIT  
Member -

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Claimant -  
Claim Number -  
Type - WCLT  
Acc Date - 03/04/2019  
Status - O  
Date Reported - 03/04/2019  
7704; Firefighters and Drivers  
Felt pain shortly after lifting a patient and then lifting the  
stretcher. Constant dull lower back pain.  
Lower Back Area (Incl. Lumbar & Strain or Injury By -  
Lifting

	Payments This Mo	Payments To Date	Reserves	Total Incurred	Collections
Loss	0.00	0.00	0.00	0.00	0.00
Indemnity	0.00	0.00	0.00	0.00	0.00
Medical	0.00	0.00	0.00	0.00	0.00
Expense	0.00	0.00	0.00	0.00	0.00
Legal	0.00	0.00	0.00	0.00	0.00
Deductible	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

The cornerstones of our claims administration are communication, quick access and sound return-to-work policies. Unparalleled experience in Florida's public workplaces makes the claims process personal to each member.

- 24/7 claim reporting by fax, email or online
- 24/7 online access for claim status and adjustor notes, loss runs, trend analysis and data charts
- Access to trained nurses for direction to initial medical facility
- Catastrophic adjustment teams
- In-depth claim review via quarterly meetings
- Dedicated subrogation unit to pursue at-fault third-party reimbursements
- Special investigation unit (SIU) for fraudulent claims

*Preferred* handles the claims of several hundred public sector members. From first report to final settlement, it's our business to do it well.

## Special Claims Programs

# THE PREFERRED RESPONSE

**P**re-disaster planning begins with asset identification, coordinated by your local retail agent, utilizing Preferred's property appraisal services. Our agent partners and loss control/safety consultants are available to review and refine your Continuity of Operations (COOP) strategy.

**R**ead time alert notifications are provided on the Preferred APP via smart phone or tablet. Our local agents and claim staff follow up with emails to members within the expected landfall cone.

**E**mergency response by a panel of approved vendors who specialize in construction, water extraction, and mold remediation. Resources, including manpower and equipment, can be dispatched.

**F**EMA recovery coordination starts with confirmation of insurance coverage and claim payments. Preferred reports are tailored to meet FEMA standards and are made available electronically to FEMA representatives. Preferred partners with FEMA consultants to help members navigate FEMA project management.

**E**xpedited payments for repairs can be made directly to service providers/contractors or to the member. The Preferred claims service provides the member flexibility in deciding how to structure their disaster recovery plan.

**R**eporting claims has never been easier. A member may report a claim via the website (PGCS-tpa.com), Preferred APP, fax, phone, or e-mail.

**R**ecovery is tailored for each member based on how much of the recovery process the member wants to manage. Preferred adjusters can recommend contractors to mitigate the disaster damage or you may use contractors already appointed with your entity.

**E**ducation is provided via webinars and seminars. Individual consultation is provided by the Preferred loss control representatives, local retail agents and contracted FEMA specialist.

**D**edicated in-house staff are available in person, by telephone and email to meet all of your pre and post disaster needs.



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*Preferred*  
**PGIT** GOVERNMENTAL  
INSURANCE TRUST

# DISASTER PREPAREDNESS GUIDE

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# BADGE PROGRAM

## A SPECIALIZED LEGAL AND MEDICAL APPROACH IN ADDRESSING CLAIMS

In 2003, Florida Legislature expanded the fire fighters' "Heart and Lung Bill" to include police, deputies and correction officers. This change in law presented the Worker's Compensation claims and medical management community with increased challenges.

Amerysis developed a specialized legal and medical program approach in addressing the uniqueness and special needs of handling claims. This was appropriately named **B.A.D.G.E.** (Better Administration Dedication Guaranteeing Excellence).

This team recognizes the importance of "quality of life" and therefore will exert every effort to educate every employee with a potential for heart disease regarding healthy diet, weight loss and proper medication usage. The program consists of an interdisciplinary approach to manage and provide quality services to our employees and clients.

The combination of disease state management and workers' compensation case management, allows the employee to benefit from the latest in quality cardiac healthcare providing a constant source of support and education. It improves/enhances return to work outcomes, reduces disability duration, prevents unnecessary, dangerous and costly consequences of inappropriate use of cardiac medications while reducing the cost of handling presumption claims.

### The BADGE Program Features Include:

- Medical Director and/or Physician Advisor with Board Certification in Cardiology to assist and direct the medical management team.
- Registered Nurses with cardiac patient experience to implement, monitor and assess all presumption claims.
- Speciality Facilities and/or Speciality Providers contracted for Workers' Compensation to best impact the ultimate outcomes. We recruit and train providers of excellence within their specialty and/or modify their program to meet the unique needs of the claimants covered by the Florida Heart and Lung Bill.
- Most current quality of Cardiac Care while maintaining compliance with the Heart and Lung Bill 112.18 and WC Statute 440.



**EXISTING CLAIMS “RUN-OUT” MANAGEMENT:** Proposer should provide a program and procedure for dealing with “run-out” or existing claims at the termination or non-renewal of any contract period. This should include but is not limited to: continued existing claims management and defense, transfer or sell of existing claims to a new carrier or third party, assuming existing claims from an old carrier, and final disposition of existing claims. All associated costs are to be clearly identified. For the purpose and intent of this RFP, existing claims means any style or type of claim with a date of loss prior to October 1, 2019, whether currently reported or not. **This procedure or method should be explained in detail by proposer and all potential costs for claims, administration and defense, clearly disclosed and identified. The City prefers continued claims management and defense.**

Our proposal includes claim services for “life of claim” and therefore **no additional cost of services will need to be applied for “run-out”.**

Claims management with *Preferred* is similar to the City’s current program with FMIT, *Preferred*’s process is a true ‘Risk Transfer’. All claims are handled till conclusion even after the policy expires. Unlike PRM there are no run-off costs, exit notices or loss fund maintenance costs.

**LEGAL SERVICES:** Proposers who include legal services as part of their claims service are requested to submit information regarding who is used, their contractual relationship with the proposer, their individual or firms' qualifications and experience, and applicable costs, if additional. This should include legal consultation, pre-defense review, and claims defense.

Legal defense is assigned to claims as appropriate. Claims defense is included in the premium proposed – no additional costs apply. Liability defense costs (legal fees) are in addition to and not subject to the policy limits, and do not apply to the deductible.

### **Liability Defense Attorney Panel**

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Quintairos, Prieto, Wood & Boyer, P.A.  
Ferman M. Fernandez, Esq.  
1 Independent Drive, Suite 1650  
Jacksonville, Florida 32202-5002  
(904) 354-5500  
[ffernandez@qpwbllaw.com](mailto:ffernandez@qpwbllaw.com)

Lydecker & Diaz, P.A.  
Richard Lydecker, Esq. // Onier Llopiz, Esq. // Mark Hendricks, Esq.  
4720 Salisbury Road  
Jacksonville, Florida 32256-6101  
(904) 493-6457  
[rl@lydeckerlaw.com](mailto:rl@lydeckerlaw.com) // [ol@lydeckerlaw.com](mailto:ol@lydeckerlaw.com) // [mh@lydeckerlaw.com](mailto:mh@lydeckerlaw.com)

### **Workers' Compensation Defense Attorney Panel**

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Public Entity Legal Solutions  
Mr. George Helm III, Esquire  
P.O. Box 958464  
Lake Mary, Florida 32795-8464  
321-832-1400  
[ghelm@pelsusa.com](mailto:ghelm@pelsusa.com)

Broussard, Cullen, Degallier & Eagan, P.A.  
Mr. Michael Broussard, Esquire  
445 West Colonial Drive  
Orlando, Florida 32804  
407-649-8717  
[michaelb@bcdorlando.com](mailto:michaelb@bcdorlando.com)

Miller, Kagan, Rodriguez & Silver  
Mr. Mark S. Kluger, Esquire  
1060 Maitland Center Commons, Suite 280  
Maitland, Florida 32751  
407-571-1740  
[MarkK@MKRS.com](mailto:MarkK@MKRS.com)



## Property – Inland Marine

Term: October 1, 2019 to October 1, 2020

Company: Preferred Governmental Insurance Trust (*Preferred*)

Covered Property (Per Schedule Provided)	
\$4,365,582	Blanket Buildings and Contents
\$500,000	Business Income
\$1,000,000	Additional Expense

Special Property Coverages	
\$5,000,000	Flood
\$5,000,000	Earth Movement
\$5,000,000	TRIA

Inland Marine (Per Schedule Provided)	
\$500,000	Blanket Unscheduled Inland Marine***
Included in Blanket	Communication Equipment***
\$88,293	Contractor's / Mobile Equipment***
Included in Blanket	Electronic Data Processing Equipment***
Included in Blanket	Emergency Portable Service Equipment***
Included in Blanket	Fine Arts***
Included in Blanket	Other Inland Marine
Not Included	Rented, Leased or Borrowed Equipment♦♦
Included in Blanket	Valuable Papers
Not Included	Watercraft, Not Including Hull Coverage**

Deductibles: \$1,000 per Occurrence – Buildings, Contents, Earth Movement & TRIA

3% of TIV per Occurrence / Per Location for "Named Storm" subject to minimum of \$10,000 Per Occurrence. Location is defined by each itemized listing on the applicable schedule

\$1,000 any one occurrence for Flood, except:  
Excess of maximum NFIP available whether purchased or not or 5% of the TIV at each affected location whichever is greater for Zones A & V

\$1,000 per Occurrence – Inland Marine

\*\*\*Unscheduled items are subject to a maximum value of \$25,000 or less per item. Items valued above this amount must be scheduled.

\*\*Watercraft, not exceeding 25 feet, coverage is not hull coverage. Limited to Specified Perils only, excluding collision with another object.

♦♦Unscheduled items are subject to a maximum value of \$250,000 or less per item, subject to the maximum per occurrence loss limit shown on the Inland Marine Schedule. Items valued above \$250,000 must be scheduled.

## Property – Inland Marine

**“Named Storm”** Definition: “...the direct action of wind, including wind driven water and storm surge when associated with or occurring in conjunction with a storm or weather disturbance which is named...” Wind driven water and storm surge loss are NOT subject to Flood Sublimit and are included to the blanket limits.

Flood coverage in zones A or V, or within a 100 Year Flood Plain as designated by the United States Army Corps of Engineers, will have a special flood deductible equal to all flood insurance available for such property under the NFIP, whether purchased or not or 5% of the Total Insured Value at each affected location whichever is greater. If such property is not eligible for the National Flood Insurance Program because the community in which the property is located does not participate in the NFIP, the Special Flood Deductible will be \$1,000,000 per insured location damaged in the flood occurrence or 5% of the Total Insured Value at each affected location whichever is greater.

Flood zones A will include, but not be limited to all of the sub-classifications of AO, AH, AE, AR, A1 through A99, or any other sub-classification with the A prefix or designation. Flood zones V will include, but not be limited to all of the sub-classifications of VO, VH, VE, VR V1 through V99, or any other sub-classification with the V prefix or designation. See policy form for special deductible restrictions.

### Coverage:

1. Special form (formerly “All Risk”), subject to policy exclusions.
2. Replacement Cost applies to Buildings, Contents and EDP is subject to all terms and conditions of the coverage agreement the most we will pay for all loss, damage or costs in any one occurrence is the applicable limits of liability shown in the property declaration. **The blanket limit of coverage shown in the property declaration applies to all covered property unless a separate limit, lower limit or reduced amount of coverage is indicated elsewhere in the coverage agreement or in the property declaration.**
3. Inland Marine coverage paid at “Agreed Value” if the valuation type on the Inland Marine schedule is shown as agreed value; or the lesser of Actual Cash Value or 110% of the value reported on the schedule. See policy for complete details.
4. *Preferred* will pay for covered loss to your real property, inland marine or personal property:
  - a. At the location shown on the Schedule of the Declarations,
  - b. Property in the open within 1,000 feet of locations described in a. above,**
  - c. With respects to Inland Marine, at or away from your covered location.
5. No Coinsurance Clause.
6. Certain coverages subject to sub-limits stated in policy.
7. During the current coverage agreement period, there will be no charge for any new locations acquired after the inception date of the agreement. If the newly added location was owned or acquired prior to the inception date of the coverage agreement, then premium is due at the time the location is added.
8. The *Preferred* Property Program is a shared limit. The limits purchased are a per occurrence limit and in the event an occurrence exhaust the limit purchased by *Preferred* on behalf of the members, payment to you for a covered loss will be reduced pro-rata based on the amounts of covered loss by all members affected by the occurrence.
9. ***Preferred* will be appraising all property currently scheduled. At time of finalization of appraisal, building values are to be adjusted accordingly or Stated Value endorsement will be applied with immediate effect.**

## Property – Inland Marine

Extensions of Coverage	
\$500,000	Accounts Receivable, per occurrence
\$5,000	Animals, annual aggregate
\$250,000, or 25% of loss whichever is greater	Debris Removal, per occurrence
\$500,000	Demolition Cost, Ordinance & Increased Cost of Construction, per occurrence
\$250,000	Errors and Omissions, per occurrence
\$5,000	Expediting Expense, per occurrence
\$25,000	Fire Department Charges, per occurrence
\$50,000	Fungus Cleanup Expense, annual aggregate
\$25,000 Per Occurrence \$1,000 Max per Tree	Lawns, Plants, Trees and Shrubs, Excludes Wind (see policy form for additional restrictions)
\$2,000,000	New Locations, per occurrence – 60 days from the date new location(s) is first purchased, rented or occupied, whichever is earlier. See policy for details.
\$50,000	Personal Property of Employees, per occurrence
\$50,000	Pollution Cleanup Expense, annual aggregate
\$250,000	Preservation of Property, per occurrence
\$20,000	Professional Fees, per occurrence
\$150,000	Property at Miscellaneous Unnamed Locations
\$10,000	Recertification, per occurrence
\$100,000	Service Interruption Coverage, per occurrence
\$250,000	Transit, per occurrence

## Property – Inland Marine Major Exclusions

### Property **Not** Covered includes but not limited to:

1. Animals, water, land including land on which the property is located, shrubs, trees, lawns, growing crops, or standing timber, except under conditions described in the “Extensions of Coverage” section of the policy.
2. Aircraft.
3. Property you sold under conditional sale, trust agreement, installment payment, or other deferred payment plan after such property has been delivered to the customer.
4. Caves, caverns, mines or any type, or any property contained within them.
5. Currency, money, notes or securities.
6. Dams, dikes or levees.
7. Contraband or property in the course of illegal transportation or trade.
8. Property covered under import or export ocean cargo policies.
9. Property you transport as a common carrier.
10. Property shipped by mail, unless sent registered or certified.
11. Watercraft unless loss is from a specified peril and scheduled on the inland marine schedule.
12. Vehicles licensed or designed for highway use, unless shown on the Property Declaration, Extensions of Coverage item U, and then no coverage for any **over the road coverage**, or collision with another vehicle or object. The AOP deductible applies per occurrence and in the event of a Named Storm the Named Storm deductible applies per vehicle rather than per location. This coverage is paid at actual cash value at time of loss.
13. Bulkheads, docks, piers, wharves, retaining walls, boardwalks or underwater conduits from: freezing and thawing; impact of watercraft; waves, or debris driven by waves; pressure or weight of ice or water, whether driven by wind or not; or sinking or settling.
14. Electrical or communication lines, towers, and poles you own that are not located on a “covered location” insured under this policy.
15. Personal property of volunteers.

### Excluded Risks of Direct Physical Loss include but not limited to:

1. War, invasion, acts of foreign enemies, hostilities or war like operations, civil war, rebellion, revolution, insurrection, civil commotion, military, usurped power, or any act of terrorism
2. Biological or Chemical Materials
3. Electronic Data or Electronic Data Recognition Exclusion
4. Asbestos
5. Damage caused by electronic currents artificially generated.
6. Pollution, except as provided under “Extensions of Coverage”
7. Building ordinance enforcement or Government action
8. Nuclear reaction
9. Utility failure
10. Fungus, except as provided under “Extensions of Coverage”
11. Any offshore oil well or oil shipping/tanker incident and the ensuing oil spill

## Equipment Breakdown

Term: October 1, 2019 to October 1, 2020

Company: Preferred Governmental Insurance Trust (*Preferred*)

Covered Equipment: Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

Coverage	Limit
Property Damage / Loss of Business Income / Additional Expense per accident	\$4,365,582
Water Damage	\$1,000,000
Ammonia Contamination	\$1,000,000
Hazardous Substance Coverage	\$1,000,000
Utility Interruption (24 Hour Waiting Period)	\$2,000,000
Spoilage Damage	\$250,000
Ordinance or Law	\$1,000,000
Expediting Expenses	\$1,000,000
Data or Media	\$250,000
Fungus, Wet Rot, Dry Rot	\$15,000

Deductibles: Same as Property – Building and Contents  
24 Hours – Utility Interruption

## Crime

Term: October 1, 2019 to October 1, 2020

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability and Coverage:

Coverage	Limit	Deductible
Employee Dishonesty, Including Faithful Performance	\$500,000	\$1,000
Forgery or Alteration Coverage	\$500,000	\$1,000
Theft, Disappearance and Destruction Coverage		
Inside	\$500,000	\$1,000
Outside	\$500,000	\$1,000
Computer Fraud Coverage (Including Funds Transfer)	\$500,000	\$1,000

Notes of Importance:

1. Employee dishonesty coverage is excluded for those employees required by law to be individually bonded.

## General Liability

Term: October 1, 2019 to October 1, 2020

Company: Preferred Governmental Insurance Trust (*Preferred*)

Form: Occurrence

Coverage	Limit	Deductible
General Liability		
Bodily Injury and Property Damage, per Occurrence	\$2,000,000	\$0 Per Occurrence
Personal Injury and Advertising Injury, per Person/Occurrence	Included	
Products/Completed Operations, Aggregate	Included	
Fire Damage, per Occurrence	Included	
Medical Payments	Not Included	
Employee Benefits Liability, per Occurrence	\$2,000,000	
Sublimits		
Principle of Eminent Domain Including Inverse Condemnation, "Bert J. Harris, Jr., Private Property Rights Protection Act" per Occurrence / Annual Aggregate.	\$300,000	Same as General Liability
Sewer Backup and Water Damage: Non-Negligent Claims	\$10,000/\$200,000	
Negligent Claims.	\$200,000/\$200,000	
Herbicide and Pesticide, per Occurrence	\$1,000,000	

**Additional Coverages Included:**

1. EMT/Paramedic Professional Services
2. Premises Operations
3. "Insured" Contracts
4. Host Liquor Liability
5. Broad Form Property Damage Subject to \$2,500 Personal Property of Others Sublimit
6. Watercraft Liability (under 52 feet). See policy form for limitations
7. Limited Worldwide Coverage
8. Additional Covered Party
9. Failure to Supply Water

**Notes of Importance:**

1. Premium is not audited.
2. Defense Costs are paid in addition to policy limits.
3. In the event an occurrence, accident or offense continues beyond the policy period, the applicable deductible would apply separately to each policy period in which the occurrence, accident or offense was committed or was alleged to have been committed.
4. Limits of Liability are subject to Florida Statute 768.28.
5. Deductible does not apply to claims expense.

## **General Liability**

Exclusions, but not limited to:

- Expected or intended injury
- Contractual Liability
- Liquor Liability
- Workers' Compensation and similar laws
- Employer's Liability
- Pollution
- Aircraft, Auto or Watercraft
- Mobile Equipment
- War
- Damage to Your Property, Product or Work
- Damage to Impaired Property or Property Not Physically Injured
- Recall of Products, Work or Impaired Property
- Racketeering
- Law Enforcement, except for vicarious liability arising out of an act or omission by a law enforcement agency that is not owned, operated or controlled by the "Covered party" if there is a contract with an outside agency to provide law enforcement for your entity.
- Asbestos, Mold, Fungi, or Bacteria
- Liability arising out of or caused or contributed to by any ownership, maintenance, operation, use, loading, unloading or control of or responsibility for any airfield, airport, aircraft, runway, hangar, building or other property or facility designed for, used, connected, associated or affiliated with or in any way related to aviation or aviation activities; this exclusion does not apply to premises exposure for those common areas open to the public including but not limited to parking areas, sidewalks, and terminal buildings.
- Failure or inability to supply or any interruption of any adequate quantity of power, steam, pressure, or fuel
- Subsidence, erosion or earth movement.
- Hospital / Clinic Medical Malpractice or Health Care Facilities
- Professional Health Care Services, but not including emergency medical services for first aid performed by emergency medical technicians, paramedics or Medical Director while in the course and scope of their duties.
- ERISA
- Actual or alleged illegal discrimination
- Injunctive, declaratory or equitable relief
- Actual or alleged deterioration, bursting breaking, leaking, inadequacy, design of, control of, maintenance of, or any other alleged responsibility for any structure device, or water course, natural or man-made, including, but not limited to: dams, reservoirs, levees, banks, embankments, gates, canals, ditches, gutters, sewers, aqueducts, channels, culvert, retaining walls, drains, tanks, watershed, or drains, a purpose of which is the containing, carrying, impeding, channeling, diverting, or draining of water or other liquid. Does not apply only as to the bursting or failure of man-made sewer, storm water, grey water or potable water supply pipes owned and maintained by Covered Party.
- Sexual abuse after initial discover

## Deadly Weapon Protection

Term: October 1, 2019 to October 1, 2020  
Company: Preferred Governmental Insurance Trust (*Preferred*)  
Form: Claims Made

Deadly Weapon Protection – Claims Made		
Retroactive Date: 10/1/2019		
Deadly Weapon Event (Including Claims Expenses), per event	\$1,000,000	\$0 Per Event
Deadly Weapon Protection – Sublimits		
Business Interruption	Included	\$0 Per Event
Demolition, Clearance, and Memorialization, per event	\$250,000	
Extra Expense, per event	\$250,000	
Crisis Management	Included	
Property Damage Extension, per event	\$250,000	
Counseling Services, per event	\$250,000	
Funeral Expenses, per event	\$250,000	
Claims Expenses	Included	

### Notes of Importance:

1. Premium is not audited.
2. Defense Costs are paid within the policy limits.
3. Deductible does not apply to claims expense.

### Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

### Extended Reporting Periods:

*Preferred* provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

**Automatic Extended Reporting Period** – continued coverage granted for a period of 90 days following the effective date of termination or nonrenewal, but only for Claims first made during the 90 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

## **Deadly Weapon Protection**

Exclusions include but are not limited to:

- Loss of market, income or use at the property physically lost or physically damaged.
- Confiscation, nationalization, requisition, destruction or damage to property by any authority.
- Criminal, dishonest, fraudulent or malicious conduct by the Covered Party.
- Negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers
- Euthanasia.
- Explosive devices unless used in conjunction with a Deadly Weapon Event.
- Vehicle not defined as a Road Vehicle;
- Weapon mounted (or designed to be mounted) on a vehicle;
- Weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone.
- Injury or death to employees of the Covered Party, except for Crisis Management Services, Counselling Services, and Funeral Expenses endorsed by Extension to this Coverage Agreement.
- Claim or Claims made by, or on behalf of, any Assailant(s).
- Use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.
- Nuclear, Chemical, Biological, Bio-Chemical, Electromagnetic or Radioactive Weapons.
- Mental injury or mental anguish related claim where no actual Bodily Injury has occurred to the claimant.
- Covered Party's recklessness or deliberate misconduct.
- Mercy Killing(s).
- Covered Party except for employee while they are a recipient of Business Services being provided by the Covered Party.
- Pollutant or Contaminant.
- Goods or products designed, manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Covered Party.
- Property Damage in respect of property:
  - owned, leased, rented or occupied by the Covered Party.
  - in the care, custody or control of the Covered Party or the care, custody or control of any person under contract with the Covered Party.
- Punitive or exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.
- Strikes, labor unrest, riots or civil commotion.
- Suicide.
- War, invasion, acts of foreign enemies, hostilities or warlike operations, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of, or amounting to, an uprising, military power.

## Law Enforcement Liability

<u>Term:</u>	October 1, 2019 to October 1, 2020
<u>Company:</u>	Preferred Governmental Insurance Trust ( <i>Preferred</i> )
<u>Form:</u>	Occurrence
<u>Limits of Liability:</u>	\$2,000,000 per Person \$2,000,000 per Occurrence
<u>Coverage:</u>	
<b>Group A:</b>	False arrest, detention or imprisonment, or malicious prosecution
<b>Group B:</b>	The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right or privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named covered party
<b>Group C:</b>	Wrongful entry or eviction, or other invasion of the right of private occupancy
<b>Group D:</b>	Erroneous service of civil papers, false imprisonment, or assault and battery
<u>Deductible:</u>	\$0 per Occurrence

### Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Premium is not auditable.
3. Deductible does not apply to claims expense.
4. Limits of Liability are subject to Florida Statute 768.28.

## Major Exclusions

Exclusions, but not limited to:

- Contractual Liability (except mutual aid or reciprocal law enforcement contracts or agreements)
- Willful violation of penal statute or ordinance or failure to follow statutory procedures for seizing property under the Florida Contraband Forfeiture Act
- Workers Compensation, Employer's Liability and similar laws
- War
- Criminal Acts
- Aircraft, Auto or Watercraft
- Employment Injury
- Non-monetary Damages
- Federal Acts (Jones Act, General Maritime Law, the Federal Employers Liability Act, the Federal Employees Compensation Act, the Defense Base Act or the U.S. Longshore and Harbor Workers' Compensation Act)
- **Applies to General Liability, Coverage B. Personal and Advertising Injury Liability Only**  
- Arising out of any actual or alleged rape, sexual assault, sexual battery, sexual molestations, sexual discrimination, sexual harassment, sexual relations, sexual intimacy, sexual act, sexual activity, sexual handling, sexual exploitation, sexual exhibition, sexual exposure, undue familiarity, alienation of affections, or any behavior with sexual connotation or purpose, both direct and indirect, including the negligent employment, investigation, supervision, reporting to authorities, or retention of any "police/peace officer" for whom any insured is or ever was legally responsible.
- Personal Property in insured's care, custody or control (except for property on persons at time of arrest)
- Media Content Services Liability
- Access or Disclosure of Confidential or Personal Information and Data-related Liability

## Public Officials Liability Employment Practices Liability

Term: October 1, 2019 to October 1, 2020

Company: Preferred Governmental Insurance Trust (*Preferred*)

Form: Occurrence

Coverage	Limit	Deductible
Public Officials Liability		
Per Claim	\$2,000,000	\$0 Per Claim
Annual Aggregate	\$2,000,000	
Employment Practices Liability		
Per Claim	\$2,000,000	\$0 Per Claim
Annual Aggregate	\$2,000,000	
Cyber Liability Retroactive Date: 10/1/2016		
Each Claim	\$2,000,000	Same as Public Officials Liability
Aggregate for all Notification Costs	\$2,000,000	
Aggregate for all Regulatory Fines & Expenses	\$2,000,000	
Sublimits		
Employee Pre-Termination Legal Consultation Services Per Employee	\$2,500	Same as Public Officials Liability
Aggregate	\$5,000	
Non-Monetary Claims Defense Costs	\$100,000	
Cyber Liability – Social Engineering Financial Fraud	\$250,000	
Cyber Liability – PCI DSS	\$250,000	

\*Coverages included in Cyber Liability include the following:

- Media Content Services
- First Party Business Interruption
- Privacy
- First Party Crisis Management
- First Party Extortion Threat
- Network Security

**Notes of Importance:**

1. Defense Costs are paid in addition to policy limits.
2. Deductible does not apply to claims expense.
3. Broadened definition of "Who is an Insured."
4. Limits of Liability are subject to Florida Statute 768.28.

## **Public Officials Liability**

### **Employment Practices Liability**

Exclusions, but not limited to:

- Criminal Acts
- Non-Monetary relief except as provided in the Supplementary Payments
- Bodily Injury, Personal Injury, Property Damage, Advertising Injury
- Damages arising out of Inverse Condemnation, Eminent Domain, Temporary or Permanent taking, Adverse Possession, Dedication by adverse Use, Condemnation Proceedings, or claims brought under Florida Statute 70.001 the “Bert J. Harris Jr., Private Property Rights Protection Act” or any similar claim by whatever named called.
- War, Invasion, Acts of foreign enemies, hostiles or warlike operations, strike, lock-out, riot, civil war, rebellion, revolution, insurrection or civil commotion
- Failure to effect and maintain insurance
- Fiduciary Liability
- Pollution
- Workers’ Compensation, Employers Liability and similar laws
- Nuclear
- ERISA of 1974, any similar state or local laws, and any rules and regulations promulgated thereunder and amendments thereto.
- Infringement of copyright, trademark, plagiarism, piracy or misappropriation of any ideas or other intellectual property
- Contractual Liability
- Health Care Professional or Health Care Facilities
- Prior and Pending claims
- Workers’ Adjustment and Retraining Notification Act, OSHA, RICO, or ADA
- Law Enforcement Activities
- Insured vs. Insured
- Bonds, Taxes or Construction contracts
- Collective Bargaining Agreements
- Capital Improvement to make property more accessible or accommodating to disabled persons
- Punitive Damages
- Return or improper assessment of taxes, assessments, penalties, fines, fees
- Activities of any attorney-at-law, medical personnel, architect, engineer or accountant, in the scope of their professional duties, except for claims made against them as Public Officials or Employees
- Media Wrongful Act
- Access or Disclosure of Confidential or Personal Information and Data-related Liability

## Public Officials Liability Employment Practices Liability

### Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

### Extended Reporting Periods:

*Preferred* provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

**Automatic Extended Reporting Period** – continued coverage granted for a period of 60 days following the effective date of termination or nonrenewal, but only for Claims first made during the 60 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

**Optional Extended Reporting Period** – The Public Entity shall have the right, upon payment of up to 200% of the expiring premium, to purchase an Optional Extended Reporting Period, for the period of 12 months following the effective date of the cancellation or nonrenewal, but only for Claims first made during the Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

## Automobile Liability and Physical Damage

Term: October 1, 2019 to October 1, 2020

Company: Preferred Governmental Insurance Trust (*Preferred*)

Coverage	Limit	Symbol	Deductible
<b>Automobile Liability (Based on 62 Vehicles)</b>			
Primary Bodily Injury and Property Damage Liability – Combined Limit	\$1,000,000	1	\$0 Each Accident
Personal Injury Protection	Statutory	5	\$0 Per Person
Medical Payments	Not Included	2	N/A
Uninsured Motorist	Rejected	2	N/A
<b>Physical Damage</b>			
Comprehensive (Based on 62 Vehicles)	Per Schedule	10, 8	\$1,000 per Vehicle
Collision (Based on 62 Vehicles)	Per Schedule	10, 8	\$1,000 per Vehicle
Rental Coverage	\$50 per day / \$5,000 Aggregate		N/A
Hired Physical Car Damage	\$35,000		\$1,000 per Vehicle

### Coverage and Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Hired and non-owned liability is included.
3. Limited Replacement Cost provided for owned and scheduled private passenger vehicle, light truck or sport utility vehicle that is involved in a covered total loss if the vehicle has less than 18,000 miles and is within the first 12 months of being scheduled at the time of the total loss. This coverage does not apply to police vehicles or any other vehicle types already listed.
4. Physical Damage coverage paid at Actual Cash Value or 110% of the value reported on the schedule, whichever is less. Please see policy for complete details.
5. Limits of Liability are subject to Florida Statute 768.28.

## Automobile Liability and Physical Damage

### Description of Covered Auto Designation Symbols:

SYMBOL	DESCRIPTION
1	= ANY "AUTO"
2	= ALL OWNED "AUTOS" ONLY. Only those "autos" you own and or lease (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This also includes all those "autos" you acquire ownership of after the coverage agreement begins.
3	= OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the coverage agreement begins.
4	= OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the coverage agreement begins.
5	= OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own and or lease that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	= OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORIST LAW. Only those "autos" you own and or lease that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are subject to the same state uninsured motorists requirement.
7	= SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE).
8	= HIRED "AUTOS" ONLY. Only those "autos" you hire rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your employees or partners or members of their households.
9	= NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business.
10	= Per symbol 2, except agreed value on vehicles valued greater than \$100,000 and all emergency vehicles

## Workers' Compensation

Term: October 1, 2019 to October 1, 2020

Insurer: Preferred Governmental Insurance Trust (*Preferred*)

Class Code	Description of Class Code	Estimated Payroll
5509	Street or Road Maintenance or Beautification & Drivers	\$376,293
7720	Police Officers & Drivers	\$1,044,424
8810	Clerical Office Employees NOC	\$771,003
9015	Building or Property Management – All Other Employees	\$128,806
9403	Garbage, Ashes or Refuse Collection & Drivers	\$127,992
9410	Municipal, Township, County or State Employee NOC	\$304,430
<b>Total Payroll</b>		<b>\$2,752,948</b>
Estimated Manual Premium		\$100,839
Experience Modification		1.08
<b>Estimated Annual Premium</b>		<b>\$56,369</b>

Notes of Importance:

1. The "Estimated Annual Premium" includes all applicable credits including safety program and drug-free workplace credits as per Florida Statute 440.
2. Employer's Limit of Liability is \$1,000,000/\$1,000,000/\$1,000,000.
3. Experience modification factor is subject to verification. This final amount of credit is dependent upon compliance with program requirements.
4. Final premium subject to payroll audit.
5. The expense constant charge has been included.
6. **Payment terms available are:**
  - a. Annual
  - b. Semi-Annual
  - c. Quarterly
  - d. 25% Down and 9 Installments

**Premium Recapitulation**  
**Page 1 of 2**

	<u>Annual Premium</u>	<u>Check Option</u>	
		<u>Accept</u>	<u>Reject</u>
<b>Package</b>			
Property including Equipment Breakdown	\$20,612.00	<input type="checkbox"/>	<input type="checkbox"/>
Inland Marine	\$1,009.00	<input type="checkbox"/>	<input type="checkbox"/>
Crime / Employee Dishonesty	\$500.00	<input type="checkbox"/>	<input type="checkbox"/>
General Liability	\$9,179.00	<input type="checkbox"/>	<input type="checkbox"/>
Deadly Weapon Protection	Included		
Law Enforcement Liability	\$19,972.00	<input type="checkbox"/>	<input type="checkbox"/>
Public Officials / Employment Practices Liability	\$29,011.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Liability (\$500,000 limit)	\$8,643.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Liability (\$1,000,000 limit)	\$9,473.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Physical Damage	\$9,668.00	<input type="checkbox"/>	<input type="checkbox"/>
<b>Package Payment Plans:</b>			
Annual		<input type="checkbox"/>	<input type="checkbox"/>
50% Down, 25% due in 75 Days, 25% due in 166 Days		<input type="checkbox"/>	<input type="checkbox"/>
Package Two-Year Coverage Agreement*		<input type="checkbox"/>	<input type="checkbox"/>
<i>*Please refer to the next page for details on the Two-Year Offer</i>			
<b>Workers' Compensation</b>	\$56,369.00	<input type="checkbox"/>	<input type="checkbox"/>
<b>Workers' Compensation Payment Plans:</b>			
Annual		<input type="checkbox"/>	<input type="checkbox"/>
Semi-Annual		<input type="checkbox"/>	<input type="checkbox"/>
Quarterly		<input type="checkbox"/>	<input type="checkbox"/>
25% Down and 9 Installments		<input type="checkbox"/>	<input type="checkbox"/>

**All lines of coverage must be accepted in order to bind coverage with Preferred.**

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**Premium Recapitulation**  
**Page 2 of 2**

**I authorize PRIA to request the underwriters to bind coverage on the items indicated above and acknowledge receipt of the Compensation and Financial Condition Disclosure(s) provided in this proposal.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name & Title)

\_\_\_\_\_  
(Date)

***Preferred Package 2-Year Option***  
**Important Note:**

*Preferred's* quote covers two (2) annual twelve month periods, from 10/01/2019 12:01:00 AM to 10/01/2020 12:01:00 AM and from 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM. The following conditions apply in addition to all other conditions of this quote:

- A. All Aggregate limits reset for the period 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM. Losses applying to one annual coverage period will not erode the aggregate limits of another annual coverage period.
- B. The premium for the period 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM will be determined based on updated exposure values for the period.
- C. Rates for the period 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM will be identical to those for the period commencing 10/01/2019 12:01:00 AM unless OIR approves a WC rate reduction effective during the 10/01/2019 to 10/01/2020 period. In the event of an approved workers' compensation rate decrease, we will honor the reduced rates for the second twelve month installment. Premiums in any case are subject to the following:
  - 1. NCCI Experience modification factors will be applied as promulgated.
  - 2. Changes to Schedules: Property, Inland Marine, and Automobile
  - 3. Payroll
  - 4. Number of Employees
- D. Due to scheduled changes in rating algorithms, there may be some fluctuation in property premium per location, however, the composite property rate for the building & contents schedule will remain the same.
- E. In the event of cancellation of any line of business within 90 days after the first day of either annual coverage period, the premium for such line(s) shall be 25% minimum earned. In the event of cancellation of any line of business following the initial 90 days of each annual coverage period, a penalty equal to 60 days premium of such line(s) of business shall become earned; any provision of the agreement to the contrary notwithstanding.
  - 1. This penalty is earned and payable regardless of when notice of such cancellation is given, or the effective date of such cancellation.

**Notes of Importance:**

1. Quotes provided in the proposal are valid until 10/1/2019. After this date terms and conditions are subject to change by the underwriters.
2. *Preferred* is not subject to the Florida Insurance Guaranty Act, in the event it becomes unable to meet its claims payment obligations. However, insured is named on excess of loss policies.
3. Some of the Carriers of the *Preferred* excess of loss policies are issued pursuant to the FL Surplus Lines laws. Entities insured by surplus lines carriers do not have the protection of the FL Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.
4. Quote is subject to review and acceptance by *Preferred* Board of Trustees.
5. Premiums are subject to change if all lines of coverage quoted are not bound. **Premiums are subject to 25% minimum premium upon binding.**
6. Not all coverages requested may be provided in this quotation.
7. Flood quotes from NFIP may be available. Please advise your agent if you have property located in zones A or V and would like to have separate NFIP quotes.
8. Property values are based on information supplied by you. You should have reviewed your property schedule and as you deem necessary have appraisals done to verify your reported values are accurate based on current market conditions.
9. The Trust requires all Members to maintain valid and current certificates of workers' compensation insurance for all work performed by persons other than its employees.
10. **With the exception of Workers' Compensation, the total premium is due within 30 days of inception. Premium financing can be arranged if needed.**
11. Quote is not bound until written orders to bind are received from the insured and the Trust/Company subsequently accepts the risk.
12. Should signed application reveal differing details/data than original application received, the entire quote/binder is subject to revision and possible retraction.
13. Higher limits of liability may be available. Please consult with your agent.
14. This proposal is based upon exposures to loss made known to the Public Risk Insurance Advisors. Any changes in exposures (i.e. new operations, new acquisitions of property or change in liability exposure) need to be promptly reported to us in order that proper coverage may be put into place.
15. **This proposal is intended to give a brief overview. Please refer to coverage agreements for complete information regarding definition of terms, deductibles, sub-limits, restrictions and exclusions that may apply. In the event of any differences, the policy will prevail.**

### ***PREFERRED Compensation Disclosure***

We appreciate the opportunity to assist with your insurance needs. Information concerning additional compensation paid to other entities for this placement and related services appears below. Please do not hesitate to contact us if any additional information is required.

Our office is owned by Brown & Brown, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so.

For the 2019 – 2020 policy year, your insurance was placed with Preferred Governmental Insurance Trust (*Preferred*). *Preferred* is an insurance trust formed by Florida public entities through an Interlocal Agreement for the purpose of providing its members with an array of insurance coverages and services. *Preferred* has contracted with entities owned by Brown & Brown, Inc. to perform various services. As explained below, those Brown & Brown entities are compensated for their services.

*Preferred* has contracted with Public Risk Underwriters (PRU), a company owned by Brown & Brown, Inc., to administer *Preferred's* operations. The administrative services provided by PRU to *Preferred* include:

- Underwriting
- Coverage review
- Marketing
- Policy Review
- Accounting
- Issuance of *Preferred* Coverage Agreements
- *Preferred* Member Liaison
- Risk Assessment and Control

Pursuant to its contract with *Preferred*, PRU receives an administration fee, based on the size and complexity of the account, of up to 12.5% of the premium you pay to *Preferred*. PRU may also receive commissions from insurance companies with whom it places your coverage, which commissions are derived from the premium you pay to *Preferred*. Multiple underwriters may be involved in the placement of your coverage. If so, they also may be compensated for their services from the premium you pay to *Preferred*.

*Preferred* has also contracted with Preferred Governmental Claims Solutions (PGCS), a company owned by Brown & Brown, Inc., for purposes of administering the claims of *Preferred* members. The services provided by PGCS to *Preferred* may include:

- Claims Liaison with Insurance Company
- Claims Liaison with *Preferred* Members
- Claims Adjustment

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***PREFERRED Compensation Disclosure (continued)***

Pursuant to its contract with *Preferred*, PGCS receives a claims administration fee for those accounts which PGCS services of up to 5% of the non-property portion of the premiums you pay to *Preferred*.

*Preferred* also utilizes wholesale insurance brokers, some of which (such as Peachtree Special Risk Brokers and MacDuff Underwriters) are owned by Brown & Brown, Inc., for the placement of *Preferred's* insurance policies, and for individual risk placements for some *Preferred* members (excess and surplus lines, professional liability coverage, etc.). The wholesale insurance broker may provide the following services:

- Risk Placement
- Coverage review
- Claims Liaison with Insurance Company
- Policy Review
- Current Market Intelligence

The wholesale insurance broker's compensation is derived from your premium, and is largely dictated by the insurance company. It typically ranges between 10% and 17% of the premiums you pay to *Preferred* for your coverage. Some wholesale brokers used by Brown & Brown to place your coverage may also act as Managing General Agents for various insurance companies, and may be compensated directly by those insurance companies for their services in placing and maintaining coverage with those particular companies.

The wholesale insurance brokerage utilized in the placement of property insurance was Peachtree Special Risk Brokers, which is a company owned by Brown & Brown Inc. Furthermore, any professional liability coverage afforded by the package of insurance you purchased was acquired through Apex Insurance Services, which is also a company affiliated with Brown & Brown Inc.

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## Notice of Carrier Financial Status

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Risk Management Associates, Inc. dba Public Risk Insurance Advisors, and its parent company, Brown & Brown, Inc. (collectively "Brown & Brown") do not certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity. We endeavored to place your coverage with an insurance carrier with an AM Best Company financial rating of "A-" or better.\* While Brown & Brown cannot certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity or otherwise predict whether the financial condition of any such entity might improve or deteriorate, we are hereby providing you with notice and disclosure of financial condition so that you can make an informed decision regarding the placement of coverage. Accordingly, with receipt of this notice you acknowledge the following with regard to the placement and any subsequent renewal of the coverage indicated below:

- Brown & Brown may have other options for your insurance placement, including quotations with insurance carriers holding an "A-" or better rating from AM Best Company. Alternative quotes may be available with an A- or better rated carrier upon your request.
- Coverage is being quoted through **Preferred Governmental Insurance Trust ("Preferred")**, which is as a Florida local government self-insurance fund established pursuant to Section 624.4622, Florida Statutes, as such **Preferred** is not rated by the AM Best Company.
- **Preferred** is not subject to the protections afforded by any state guaranty fund or association.
- The financial condition of insurance companies and other coverage providers including local government self-insurance funds like **Preferred** may change rapidly and that such changes are beyond the control of Brown & Brown.
- You should review the financial and membership information from **Preferred** and agree to abide by the conditions of membership established by **Preferred**.
- You should consider the information provided, including the **Preferred** coverage quote and coverage placement and review it with your accountants, legal counsel and advisors.

<b>Named Insured:</b>	City of St. Augustine Beach
<b>Line of Coverage(s):</b>	Property, Inland Marine, Crime, General Liability, Deadly Weapon Protection, Public Officials/Employment Practices Liability, Auto Liability and Physical Damage, Workers' Compensation
<b>Policy Number(s):</b>	TBD
<b>Policy Period(s):</b>	10/1/2019 – 10/1/2020
<b>Date of Notice:</b>	8/23/2019

\* AM Best Rating Guide: Rating for Stability: A++ to F = Highest to lowest rating  
Financial Size Category: XV to 1 - Largest to smallest rating

**City of St. Augustine Beach**  
**RFP 19-05 – Insurance and Risk Management**



Guide to Bests Ratings		
Best Category	Rating	Description
Secure	A++	Superior
Secure	A+	Superior
Secure	A	Excellent
Secure	A-	Excellent
Secure	B++	Very Good
Secure	B+	Very Good
Vulnerable	B	Fair
Vulnerable	B-	Fair
Vulnerable	C++	Marginal
Vulnerable	C+	Marginal
Vulnerable	C	Weak
Vulnerable	C-	Weak
Vulnerable	D	Poor
Vulnerable	E	Under Regulatory Supervision
Vulnerable	F	In Liquidation
Vulnerable	S	Rating Suspended
Not Rated	NR-1	Insufficient Data
Not Rated	NR-2	Insufficient Size and/or operating experience
Not Rated	NR-3	Rating Procedure Inapplicable
Not Rated	NR-4	Company Request
Not Rated	NR-5	Not Formally Followed
Rating Modifier	u	Under Review
Rating Modifier	q	Qualified
Affiliation Code	g	Group
Affiliation Code	p	Pooled
Affiliation Code	r	Reinsured

Guide to Best's Financial Size Categories		
Reflects size of insurance company based on their capital, surplus and conditional reserve funds in U.S. dollars.	I	Less than \$1,000,000
	II	\$1,000,000 - \$2,000,000
	III	\$2,000,000 - \$5,000,000
	IV	\$5,000,000 - \$10,000,000
	V	\$10,000,000 - \$25,000,000
	VI	\$25,000,000 - \$50,000,000
	VII	\$50,000,000 - \$100,000,000
	VIII	\$100,000,000 - \$250,000,000
	IX	\$250,000,000 - \$500,000,000
	X	\$500,000,000 - \$750,000,000
	XI	\$750,000,000 - \$1,000,000,000
	XII	\$1,000,000,000 - \$1,250,000,000
	XIII	\$1,250,000,000 - \$1,500,000,000
	XIV	\$1,500,000,000 - \$2,000,000,000
	XV	Greater than \$2,000,000,000

Public Risk Insurance Advisors always strives to place your coverage with highly secure insurance companies. We cannot, however, guarantee the financial stability of any carrier.



## Preferred Governmental Insurance Trust (*Preferred*) Overview

Several hundred members and millions in premiums prove that the *Preferred* Governmental Insurance Trust® fulfills what Florida needs: an insurance program exclusively customized and dedicated to the public sector. *Preferred* stays on the forefront of specialized insurance for property, casualty and workers' compensation because it is non-profit and self-governed with a membership comprised solely of Florida public entities.

*Preferred's* history dates back to 1999. Its robust membership and financial strength, including consistent growth of surplus, stem from its conservative platform of managed risk. *Preferred* is just that: **preferred** for unmatched public entity experience, innovation, stability and personalized service.

### *Preferred's* Member Types

Municipalities	Counties	Special Districts
Public Schools	Charter Schools	Sheriff Departments
Housing Authorities	Aviation Authorities	Transit, Port & Utility Authorities

### *Preferred's* Comprehensive Coverages

Property	Workers' Compensation	General Liability
Automobile Liability	Automobile Physical Damage	Law Enforcement Liability
Public Officials Liability	Employment Practices Liability	Educators' Legal Liability

### The Power of Groups and People

What does a specialized insurance trust do for you? In the case of *Preferred*, it gives you the purchasing power of a very large trust with billions of covered property values—far more financial negotiating power than a single public entity can muster. As a *Preferred* member, you are part of a formidable Florida insurance trust.

The trust also transfers risks from any one public entity to the larger group. This provides all members of the trust better rating structures with less volatility. *Preferred's* sole focus on government ensures that members' unique needs are met.

### Underwriting and Administration

Behind *Preferred's* underwriting platform are decades of success built on integrity and market relationships. Our team of underwriters' vast insurance expertise enhances the actuarial and scientific data used to underwrite individual risks within the trust. Services delivered are both broad and precise. Reliability is assured. The administrator for *Preferred* is Public Risk Underwriters of Florida, Inc.® (PRU), Florida's premier public entity specialist of its kind. *Preferred's* claims administrator is PGCS Claim Services. With more than 25 years in claims experience, PGCS is Florida's foremost governmental third-party administration company.



#### Underwriting Highlights

- **Diverse risk financing options:** guaranteed cost, deductible, self-insured retention, all lines aggregate
- **Competitive premium discounts** based on favorable experience and sound safety practices
- **Flexibility of coverage design**, including mono-line or package basis
- **Dynamic financial analysis** conducted periodically to validate the trust's superior financial standing

#### Administration

- **General counsel, defense counsel and litigation services** by specialists in governmental law
- **Membership relations** for networking and professional development
- **Legislative Pulse newsletter** from Tallahassee-based law firm
- **Professional marketing** that guarantees local agent support, governmental knowledge and an ever-growing group of members
- **Preferred News**—a quarterly publication covering the spectrum of government insurance issues
- **State filing, accounting and independent CPA audited financials** as needed

### ***Preferred's* Expert Boards Know Your Business**

*Preferred* is governed and guided by people working daily in all segments of Florida's public sector – from municipalities to counties to schools to special taxing districts.

The Board of Trustees is comprised of elected public officials who work wisely and diligently to set policy, keeping *Preferred* as the premier public entity insurer of its kind.

**Preferred Governmental Insurance Trust  
Municipality Excess Insurance Structure 19-20**

Carrier	A.M. Best Rating	Status
Allied World Assurance Company (AWAC)	A XV	Non-admitted
Arch Insurance Company	A+ XV	Non-admitted
Arch Specialty Insurance Company	A+ XV	Non-admitted
Beazley Insurance Company	A XIII	Non-admitted
Berkley Assurance Insurance Company	A+ XV	Non-admitted
Bershire Hathaway Specialty Insurance Company	A++ XV	Non-admitted
British American Insurance Company	A VI	Non-admitted
Chubb Custom Insurance Company	A++ XV	Non-admitted
Colony Insurance Company	A XIV	Non-admitted
Colony Specialty	A XIV	Non-admitted
Endurance American Specialty	A+ XV	Non-admitted
Endurance UK	A+ XV	Non-admitted
Everest Security Insurance Company	A+ XV	Non-admitted
General Star Indemnity Company	A++ XV	Non-admitted
Great American E&S Insurance Company	A+ XIV	Non-admitted
Hanover Lloyd's Insurance Company	A XV	Non-admitted
Independent Specialty	A XV	Non-admitted
Interstate Fire & Casualty	A+ XV	Non-admitted
Ironshore Specialty	A XV	Non-admitted
Lloyds	A XV	Non-admitted
Market Insurance Company	A XV	Non-admitted
Navigators Specialty Insurance Company	A XII	Non-admitted
Neon Lloyds	A XV	Non-admitted
Princeton Excess & Surplus Lines Insurance Company	A+ XV	Non-admitted
RSUI Indemnity Company	A+ XIV	Non-admitted
Starr Surplus Lines Insurance Company	A XV	Non-Admitted
Westchester Surplus Lines Insurance Company	A++ XV	Non-admitted
Westport Insurance Corporation	A+ XV	Non-admitted
Westchester Surplus Lines Insurance Company	A++ XV	Non-admitted
Westport Insurance Corporation	A+ XV	Non-admitted

This is a summary of the excess structure and is for illustrative purposes only. It is not intended to provide full details regarding retentions, limits, sub-limits and aggregates. Please refer to your coverage agreement for details of applicable coverage.

Coverage placed with carriers that are non-admitted does not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent insurer.

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
PREFERRED GOVERNMENTAL  
INSURANCE TRUST**

**SEPTEMBER 30, 2018 AND 2017**

## **C O N T E N T S**

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**Shores, Tagman, Butler & Company, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

**Board of Trustees  
Preferred Governmental Insurance Trust**

**We have audited the accompanying financial statements of Preferred Governmental Insurance Trust, (the "Trust"), which comprise the Statements of Net Position as of September 30, 2018 and 2017, and the related Statements of Revenues, Expenses and Changes in Trust Net Position, Statements of Cash Flows for the years then ended and the related Notes to Financial Statements.**

**Management's Responsibility for the Financial Statements**

**Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.**

**Auditors' Responsibility**

**Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.**

**An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.**

## **INDEPENDENT AUDITORS' REPORT - CONTINUED**

### **Auditors' Responsibility- Continued**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preferred Governmental Insurance Trust as of September 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

### **Emphasis of Matter**

As discussed in the Notes to Financial Statements, the terms of the Trust's service contract provide for claims adjusting services on claims that arose during the contract period provided that the contract remains in effect. In the event the contract is terminated, the Trust will be liable for the additional expenses related to adjusting these claims until all such claims are concluded. The amount of this liability, if any, cannot be presently determined. Accordingly, the accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

As discussed in the Notes to Financial Statements, the reserves for unpaid losses and loss adjustment expenses in the accompanying financial statements are based upon evaluations by the Trust's independent actuary. Management believes that these estimates are reasonable. However, these estimates are subject to change and the change can be material in relation to the financial statements taken as a whole. No assurance can be given that the actual losses will not be more or less than the current estimates. Our opinion is not modified with respect to this matter.

January 21, 2019

*Sh. Tager, Butler Company, P.A.*

## **Preferred Governmental Insurance Trust**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management of the Preferred Governmental Insurance Trust (the Trust) has prepared the following narrative overview and analysis of the financial activities of the Trust for the fiscal year ending September 30, 2018 and 2017 using other comparative years as appropriate. We encourage readers to consider the information presented here in conjunction with the Trust's financial statements and Notes to Financial Statements to enhance their understanding of the Trust's financial performance.

#### ***Financial Highlights***

Unless otherwise indicated, performance throughout this analysis is expressed in thousands.

- Total net position (surplus) increased by \$6,391 from 2017 to 2018, or 7%, to a total of \$97,351. Total net position increased by \$2,986 from 2016 to 2017, or 3%, to a total of \$90,960. The current year and prior year increases in net position were driven by actuarially determined changes in expected loss ultimates, resulting in decreases in unpaid losses and loss adjustment expenses, and decreases in retained risk in 2018.
- Total assets have steadily increased in each of the last two years. Total assets increased by \$13,884 from 2017 to 2018, or 6%, to a total of \$234,199. Similarly, total assets increased by \$14,101 from 2016 to 2017, or 7%, to a total of \$220,315. Improvements each year are attributable to investment earnings and growth in cash and investments.
- Investment earnings have consistently tracked with internally adopted benchmarks. Investment earnings of \$5,549 represent returns of 2.7% on average investment balances in 2018. Earnings in 2017 were \$6,187 as the Trust's investments posted a 3.2% return on average investment balances. Over the last three years, earnings have added nearly \$20 million to the portfolio. During 2014, the Trust increased its allocation to intermediate term bonds, magnifying the impact of changing interest rates on the portfolio, and doubled its investment allocation to stocks in currently high performing equity markets. The Trust has benefited from this change; however, management fully anticipates greater volatility as a consequence of assuming greater risks.
- The ratio of our premium to our net position, a common measure of solvency has been nearly one to one each year. The ratio shows the degree to which the Trust's premium exceeds or is nearly covered by net position. Consistently increasing premium revenues from 2016 to 2018 in comparison to modest growth in net position produce a ratio of premium to net position of 111% in 2018 in comparison to 115% in 2017 and 110% in 2016. Management fully anticipated this initial financial result to changes in risk retention.
- Routine recoveries from the Trust's excess program were generally flat over the prior year, however, receipts from catastrophic claims spiked in response to two hurricanes occurring within the 2018 fiscal year. As claims mature and costs invade excess layers, timely and effective collections of claims of ceded risk have become increasingly important to the Trust.

## **Preferred Governmental Insurance Trust**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

#### ***Overview of the Financial Statements***

**This discussion and analysis is intended to serve as an introduction of the Trust's financial statements. Typically, government financial statements would be presented as three components:**

- 1) government-wide financial statements,**
- 2) fund financial statements, and**
- 3) notes to the financial statements.**

**However, as the Trust uses only one proprietary fund, which presents financial statement information in the same manner as government-wide financial statements, only with more detail, we do not present government-wide financial statements as the information would be repetitive.**

**The financial statements are comprised of the statement of net position, the statement of revenues, expenses and changes in fund net position and the statement of cash flows and the notes to the financial statements. The financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental enterprise funds.**

**The statement of net position presents the Trust's financial position as of the end of its fiscal year. Information is displayed on assets and liabilities with the difference between the two amounts as net position. The net position of the Trust reflects the present value of resources available to its members at the end of the fiscal year after satisfaction of all loss reserves.**

**The statement of revenues, expenses and changes in fund net position presents information detailing the revenues and expenses that resulted in a change in net position during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash associated with the event is received or paid. Thus revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, premiums collected from a public entity might not be reflected as revenue until fully earned by the passage of time. Likewise, claims that occurred during the fiscal year will be reflected as an expense whether or not they have been paid as of the end of the fiscal year.**

**The statement of cash flows represents the cash provided and used by the Trust categorized by operating activities and investing activities. It reconciles the beginning and end of year cash balances contained in the balance sheet. The effects of accrual accounting and not cash activities, such as premium and discount amortization are adjusted to supplement the presentation in the statement of revenues, expenses and changes in fund net position.**

**The notes to the financial statements follow the basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements. In addition to the financial statements and accompanying notes, required supplementary information is presented illustrating the Trust's past ten years of earned revenues and investment income compared to related costs of losses and other expenses incurred by the Trust.**

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

#### *Financial Analysis*

The Preferred Governmental Insurance Trust measures its performance using three basic financial statements: Statements of Net Position, Statements of Revenues, Expenses and Changes in Trust Net Position and Statements of Cash Flows.

**Statements of Net Position.** The Trust's Statements of Net Position display the assets, liabilities and net position of the Trust as of the Trust's year end, September 30. A comparison of audited balances as of September 30, 2018, 2017 and 2016 display continued increases in assets and maintenance of a stable net position. The growth in assets is a function of strong underwriting discipline, vigorous control of losses and responsible investment.

Assets grew in the 2018 and 2017 fiscal years in response to growth in premium in combination with good investment returns, and ongoing recoveries of claims from excess carriers.

	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>% Change</u>	<u>2016</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 12,519	10.5%	\$ 11,334	66.4%	\$ 6,811
Accrued interest receivable	941	3.3%	911	26.9%	718
Premiums receivable	299	50.3%	199	-47.4%	378
Excess recoverables on paid losses	12,027	94.6%	6,180	71.6%	3,602
Prepaid expenses and other assets	14,711	8.9%	13,506	6.0%	12,742
Investment securities available for sale	<u>193,702</u>	2.9%	<u>188,185</u>	3.4%	<u>181,963</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>234,199</u></b>	<b>6.3%</b>	<b>\$ <u>220,315</u></b>	<b>6.8%</b>	<b>\$ <u>206,214</u></b>
<b>LIABILITIES AND NET POSITION</b>					
<b>Current Liabilities</b>					
Accounts payable and other liabilities	\$ 796	2,241.2%	\$ 34	100.0%	\$ 17
Claims service fees payable	360	-30.5%	518	43.5%	361
State of Florida assessments payable	148	-15.4%	175	6.1%	165
Member prepayment	181	-74.6%	714	-51.5%	1,471
Unearned premium	9,783	3.6%	9,442	-10.7%	10,576
Unpaid losses and loss adjustment expenses	<u>32,394</u>	1.8%	<u>31,833</u>	4.1%	<u>30,592</u>
	<u>43,662</u>	2.2%	<u>42,716</u>	-1.1%	<u>43,182</u>
<b>Noncurrent Liabilities</b>					
Unpaid losses and loss adjustment expenses	\$ 93,076	7.6%	\$ 86,529	15.6%	\$ 74,861
Advances by excess insurers	110	0.0%	110	-44.2%	197
	<u>93,186</u>	7.6%	<u>86,639</u>	15.4%	<u>75,058</u>
<b>TOTAL LIABILITIES</b>	<u>136,848</u>	5.8%	<u>129,355</u>	9.4%	<u>118,240</u>
<b>NET POSITION – UNRESTRICTED</b>	<u>97,351</u>	7.0%	<u>90,960</u>	3.4%	<u>87,974</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>234,199</u></b>		<b>\$ <u>220,315</u></b>		<b>\$ <u>206,214</u></b>

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Reduced retentions and associated reductions to actuarial valuations of unpaid losses and loss adjustment expenses in the 2018 fiscal year created a 7.0% increase in net position (surplus) to \$97,351 while improved asset position in 2017 were entirely offset by increases in estimates of unpaid losses and loss adjustment expenses. The liability for unpaid losses and loss adjustment expenses steadily increased in recent years in response to the Trust's decision to retain additional risk for its workers compensation coverage and economic and environmental conditions resulting in increases to Florida's tort cap. Loss estimates have been gradually revised downward in response to actual experience and the rate of growth in the liability has slowed. The surplus, conversely, increased modestly in 2017 and that growth has accelerated through 2018.

A significant component of our costs has been our excess insurance program. The ability to appropriately negotiate excess coverage in a manner that economically and effectively mitigates risks with a variety of business partners both in the United States and abroad has been essential to the ongoing success of the Trust.

Indeed, maturing claims make the excess program even more important as cash flows become dependent not only on our premium collections but also upon the timeliness of recoveries from excess insurance carriers.

The following schedule summarizes the collections from excess insurance carriers over the last five fiscal years by line. Both the importance of excess insurance recoveries and the consistency in collection efficiency for routine (non catastrophic/non hurricane) claims is shown below.

Year	Workers Compensation	Package			Total
		Non Catastrophic	Catastrophic	Snbttotal	
2018	\$ 7,296	\$5,976	\$4,404	\$10,380	\$17,676
2017	\$ 5,050	\$7,671	\$428	\$8,099	\$13,149
2016	\$ 8,670	\$4,326	\$ -	\$4,326	\$12,996
2015	\$ 9,407	\$5,540	\$ -	\$5,540	\$14,947
2014	\$11,341	\$3,265	\$ -	\$3,265	\$14,606

Routine collections from the excess program for combined workers compensation and non-catastrophic coverage has been a steady \$13.0 million over the last three years after ranging between \$14.0 and \$15.0 million during the 2015 and 2014 years. Collections from catastrophic events spiked in response to Hurricane Matthew and Irma claims. The gradual erosion of workers compensation recoveries in response to increased retentions drove collections lower over the previous four years. Decreased retentions in 2018 helped to reverse that trend. The fluctuations in non catastrophic package recoveries were marked by increased exposures to an increased tort cap. Collections generally represent claims initially paid by the Trust and then reimbursed by excess carriers. Uniform collections of about \$18.0 million throughout the current and \$13.0 million in the prior year have preserved average investment balances and helped to produce about \$243,000 (not in thousands) in investment earnings at 2.7% in 2018 and \$208,000 (not in thousands) in investment earnings in 2017 based on that year's 3.2% investment returns.

**Preferred Governmental Insurance Trust**

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

**Statements of Revenues, Expenses and Changes in Trust Net Position.** The Statement of Revenues, Expenses and Changes in Trust Net Position display the Trust revenues and expenses and the manner in which they account for the change in net position. The following schedule shows a comparison of that activity for the years ended September 30, 2018, 2017, and 2016 and a number of key relationships.

	2018	% Change	2017	% Change	2016
OPERATING REVENUES					
Premiums	\$ 108,120	3.5%	\$ 104,514	8.1%	\$ 96,720
OPERATING EXPENSES					
Losses and loss adjustment expenses	46,653	-10.1%	51,913	-4.8%	54,508
Excess insurance expense	35,253	12.1%	31,460	1.8%	30,910
Administrative fees	10,885	1.9%	10,681	7.9%	9,898
State of Florida assessments	640	-10.5%	715	5.8%	676
Agent commissions	7,471	6.2%	7,037	7.1%	6,573
Claims service fees	4,854	9.0%	4,454	12.4%	3,961
Other expenses	1,522	4.7%	1,454	9.9%	1,323
TOTAL EXPENSES	107,278	-0.4%	107,714	-0.1%	107,849
OPERATING INCOME (LOSS)	842	N/A	( 3,200 )	-71.2%	( 11,129 )
NON OPERATING REVENUES					
Net investment income	6,010	1.9%	5,900	44.9%	4,071
Net increase (decrease) in fair value of investments	( 461 )	-261.2%	286	-92.1%	3,609
	5,549	-10.3%	6,186	-19.5%	7,680
CHANGE IN NET POSITION	6,391	114.0%	2,986	NA	( 3,449 )
NET POSITION – Beginning	90,960	3.4%	87,974	-3.8%	91,423
NET POSITION – Ending	\$ 97,351	7.0%	\$ 90,960	3.4%	\$ 87,974

The current year results for the Trust benefited from increased premiums, strong investment income, and a net decline in combined loss and loss adjustment expense and excess insurance expense associated with reduced retention in the current year. Comparative results also benefitted from reduced loss and loss adjustment expenses previously accrued in response to actuarial evaluation of expected loss reserves. Operating income was positive and net position increased overall by nearly \$6.4 million

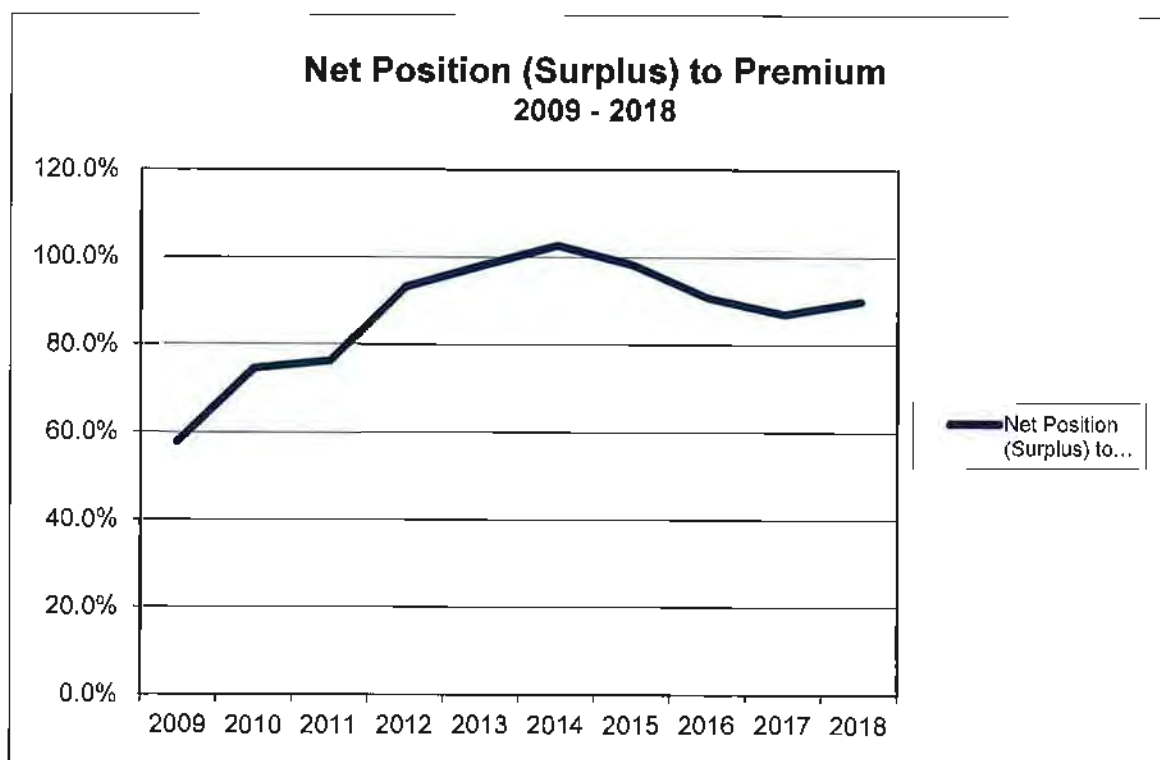
Loss and loss adjustment expenses had steadily increased each year until 2016 as a result of a combination of increased retention as well as a reduced benefit from reductions of prior year reserves. Management believed that these expense estimates were conservative and began to see more favorable development relative to prior year accruals in the 2017 year. Accrued expenses declined nearly 5% or \$2.6 million in the prior year.

Although excess insurance expense has increased in response to reduced retention, the combined impact of increased excess costs and declining loss expenses has been positive for the Trust.

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The capitalization of the Trust was stable in 2018 with net position consistent as a percentage of premiums. Over the last ten years, net position has increased from less than 60% of earned premium to over 90% of earned premium. Results reflect the consistent conservative underwriting of the Trust.



**Statements of Cash Flows.** The Statements of Cash Flows display the sources and uses of the Trust's cash generated from operating and investing activities.

The gradual decreases in the Trust's cash flows from continuing operations over the last two years show the impact of decreased retentions and the resulting increase in excess insurance (ceded reinsurance) payments and stabilization of loss and loss adjustment expenses paid. Cash flows from operations totaled \$1,183 in 2018. Current year results are lower than the positive cash flows from operations of \$4,710 and \$10,718 in 2017 and 2016 respectively. Reduced cash flow from operations comes in response to increased payments for excess premiums paid to excess insurance carriers.

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Although operating cash is used in response to the consistent demands from maturing claims, classified as losses and loss adjustment expenses paid, diligent collections of excess recoveries described above serve to offset a portion of those amounts and stabilize operating cash outflows. Current year cash flows from operations responded favorably to the containment of loss and loss adjustment expenses paid and consistent collections of excess insurance recoveries.

	2018	2017	2016
<b>CASH FLOWS FROM CONTINUING OPERATIONS</b>			
Premiums collected from policyholders	\$ 102,148	\$ 102,125	\$ 95,802
Excess premiums paid to reinsurance carriers	( 35,254 )	( 31,547 )	( 27,257 )
Losses and loss adjustment expenses paid	( 39,545 )	( 39,004 )	( 34,733 )
Other underwriting expenses paid	( 26,166 )	( 26,824 )	( 23,093 )
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,183</b>	<b>4,751</b>	<b>10,718</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net proceeds (purchases) of debt and equity securities	( 5,977 )	( 5,936 )	( 22,712 )
Investment income collected	5,979	5,707	4,153
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>2</b>	<b>( 229 )</b>	<b>( 18,559 )</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,185</b>	<b>4,522</b>	<b>( 7,841 )</b>
Cash and short term investments – beginning of year	11,334	6,811	14,652
<b>CASH AND SHORT TERM INVESTMENTS - END OF YEAR</b>	<b>\$ 12,519</b>	<b>\$ 11,334</b>	<b>\$ 6,811</b>

The Trust transferred a total of \$20 million dollars into its investment portfolio in 2016 but has allocated more resources to cash over the last two years. The aggressive increase in invested capital in 2016 came in response to declining excess insurance costs resulting from both improved excess insurance market conditions and increased retentions. The Trust did not increase its investment portfolio in 2017 or 2018 but did not draw upon it for operations. Investment earnings were the source of increases to investments. The increased investments are displayed as a use of cash from investing activities. The investment portfolio of the Trust increased 8% from the 2016 fiscal year to the 2018 fiscal year in direct response to investment earnings and cash management.

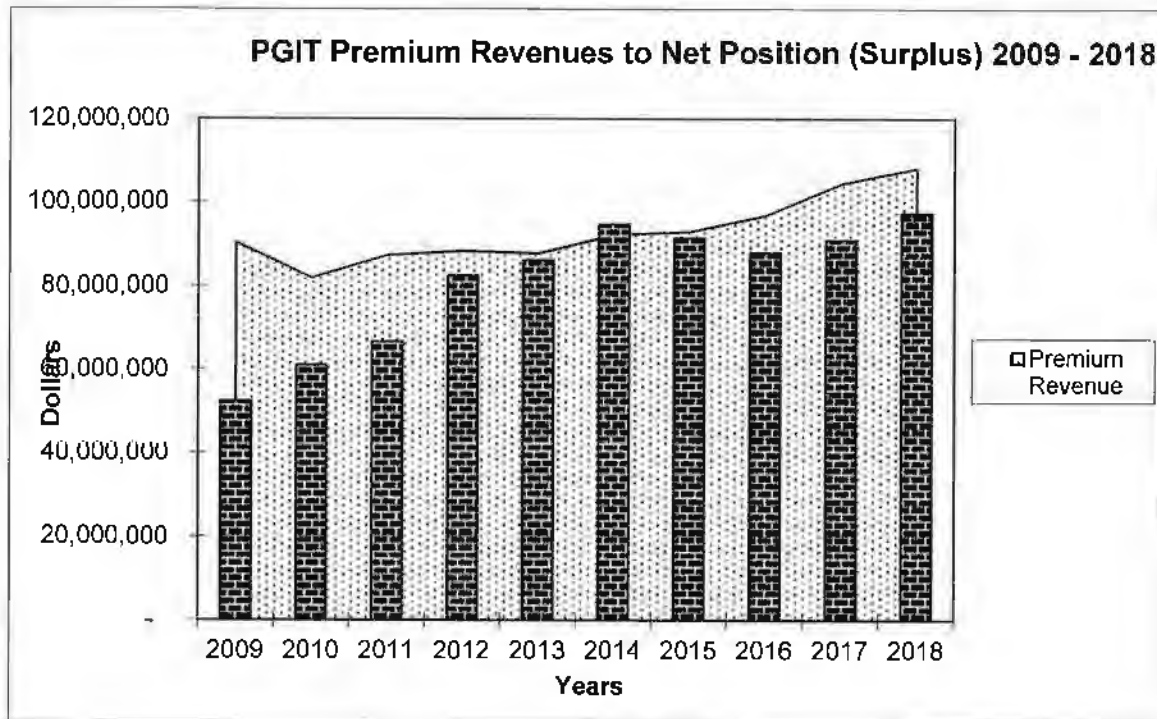
#### *Economic Factors and Major Initiatives*

**Markets.** Increased premium revenues in 2018 and 2017 came in response to increasing average rates of both workers compensation and property markets. The Trust experienced both an increase of insurable units as well as addition of new members. Financial results each year are impacted by the Trust's tempered response to meeting aggressive pricing challenges in the highly competitive market for public entity insurance programs.

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Net position as a percentage of revenue has remained relatively stable from 2016 to 2018 and generally increased since 2009. The following graph shows the comparison of premium revenue to growth in fund surplus (net position) for the last ten years. Both surplus and premium revenues are at all time highs.



**Initiatives.** The Trust inaugurated the Preferred Training Incentive Programs (TIPs) in 2015, a member reimbursement program with matching training/safety incentives that can be applied for by any current member of the Trust. The enormously popular program resulted in over \$590,000 in distributions to members in 2018 in recognition of their ongoing training and safety improvement efforts. Current year volume compares to \$535,000 in 2017 and \$445,000 in 2016.

The Trust initiated its first Member Education Day in 2018 with presentations by insurance, legal, and risk management professionals for the benefit of two hundred thirty attendees representing seventy members. The extremely well-received event underscored the Trust's member focus and its commitment to loss control.

Through its administrator, the Trust continues to offer and invest in online services to its membership including learning and training opportunities through webinars, Target Solutions, My Community Workplace, and HR & Cyber Support Center related to both coverage and legal issues. The Trust also provides on-line loss runs, claim notes and other analytics for claims management as it remains responsive in the highly competitive public entity insurance market.

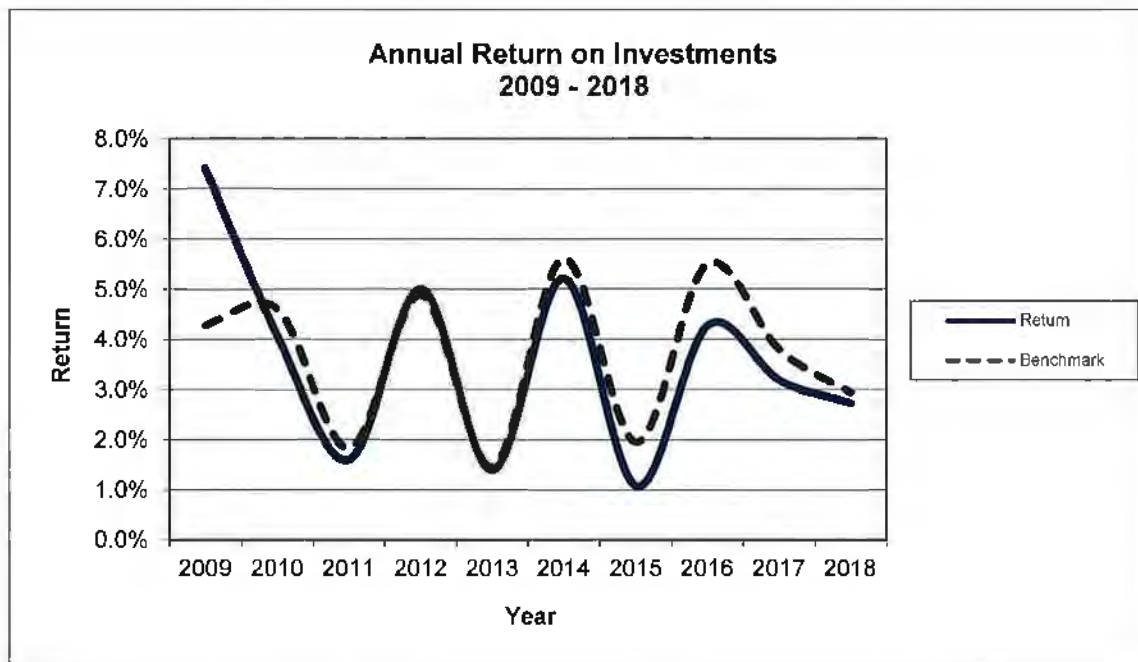
## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

**Investments.** Even as the Federal Reserve Open Market Committee continues to allow interest rates to slowly increase in the coming year, fixed income results are likely to remain below long term averages and also cause unrealized losses on our portfolio. Even modest changes in effective market interest rates can cause significant changes in portfolio value. Current year earnings on fixed income securities were modest and still benefitted from some unrealized gains.

Revisions to the Trust's investment policy at the beginning of the 2014 fiscal year shifted a greater percentage of its portfolio to equity securities. Outstanding returns in equity markets coupled with the Trust's increased participation in those markets produced near record investment earnings for the Trust in that year. Stock market corrections at the end of the 2016 fiscal year produced lower results but positioned the Trust for magnified gains in the 2017 fiscal year and sustained results through the fiscal year ended 2018. As always, investment returns are uncertain but asset allocations have steadily produced results consistent with internally established benchmarks and the Trust's risk tolerance.

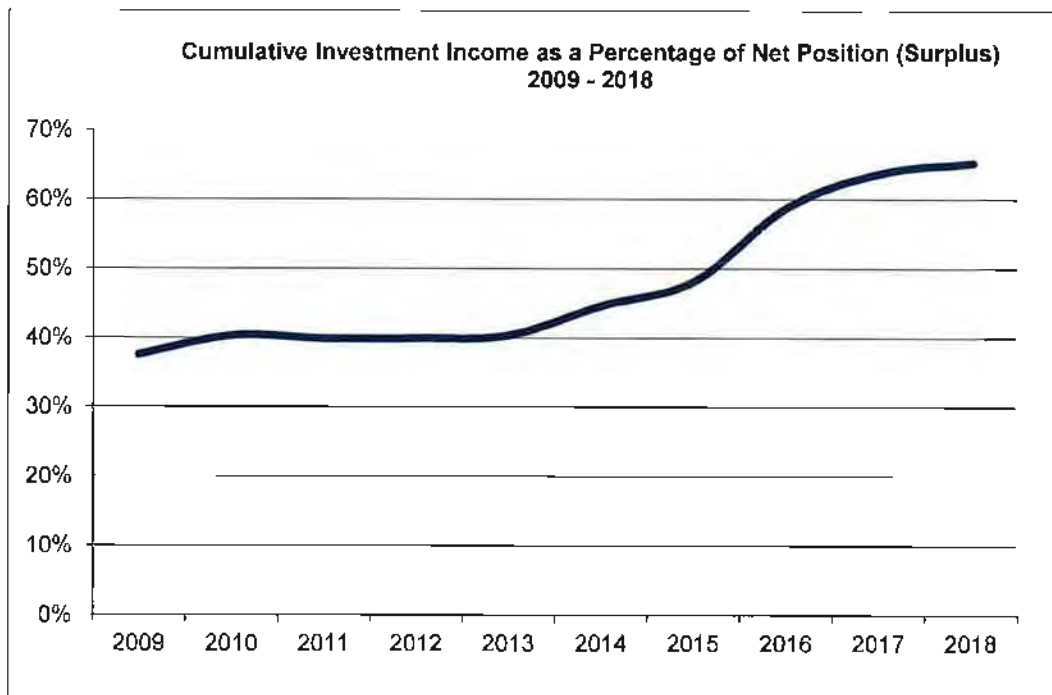
The following graph shows the investment performance of the Trust in comparison to those adopted benchmarks. Investment earnings track with market volatility and have followed the behavior of benchmark measures. The 2018 year produced actual and benchmark performance that were nearly equal.



## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

As Trust assets grow, investment income becomes an increasingly important and consistent element of operating results and net position (surplus). Over the eighteen year period ending September 30, 2018, the Trust has earned \$64 million in investment income which represents 65% of accumulated surplus. The assumption of increased retention in 2014 resulted in very little change in overall surplus largely in response to consistent investment earnings. Reduction of retention in 2018 in combination with reductions of liability estimates in prior years has caused surplus to improve and stabilize the relative contribution of investment earnings and underwriting profits to surplus. The following chart shows the growth of cumulative investment income as a percentage of surpluses in the ten years since the 2009 fiscal year.



#### *Contacting the Trust's Financial Management*

This financial report is designed to provide our members and the public with a general overview of the Trust's finances and to demonstrate the Trust's operational and fiscal accountability for the premiums it receives. The Trust contracts its financial administration to Public Risk Underwriters of Florida, Inc. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Ann E. Hansen, Executive Vice President, Public Risk Underwriters of Florida, Inc., P.O. Box 958455, Lake Mary, Florida 32795-8455.

**FINANCIAL STATEMENTS &  
NOTES TO FINANCIAL STATEMENTS**

**Preferred Governmental Insurance Trust**

**STATEMENTS OF NET POSITION**

**ASSETS**

	<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 12,518,878	\$ 11,333,605
Investment securities	193,701,920	188,185,123
Accrued interest receivable	941,476	911,095
Premiums receivable	298,574	198,866
Excess recoverables on paid losses	12,026,991	6,180,553
Prepaid expenses and other assets	14,710,842	13,505,990
<b>Total Assets</b>	<b>\$ 234,198,681</b>	<b>\$ 220,315,232</b>

**LIABILITIES AND NET POSITION**

<b>Current Liabilities</b>		
Accounts payable and other liabilities	\$ 795,863	\$ 33,793
Claims service fee payable	360,080	518,411
State of Florida assessments payable	148,237	174,777
Unpaid losses and loss adjustment expenses	32,394,000	31,833,000
Unearned premiums	9,782,994	9,441,828
Member prepayments	180,842	714,452
Total current liabilities	43,662,016	42,716,261
<b>Noncurrent Liabilities</b>		
Unpaid losses and loss adjustment expenses	93,075,885	86,528,672
Advances by excess insurers	110,000	110,000
Total noncurrent liabilities	93,185,885	86,638,672
<b>Net position - unrestricted</b>	<b>97,350,780</b>	<b>90,960,299</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 234,198,681</b>	<b>\$ 220,315,232</b>

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN TRUST NET POSITION**

	<b>Years Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Operating Revenues</b>		
<b>Premiums</b>	<b>\$ 108,120,372</b>	<b>\$ 104,514,838</b>
<b>Operating Expenses</b>		
<b>Losses and loss adjustment expenses</b>	<b>46,652,677</b>	<b>51,912,591</b>
<b>Excess insurance expense</b>	<b>35,253,987</b>	<b>31,459,730</b>
<b>Administrative services</b>	<b>10,884,738</b>	<b>10,681,273</b>
<b>Agent commissions</b>	<b>7,471,751</b>	<b>7,036,750</b>
<b>Claims service fees</b>	<b>4,854,010</b>	<b>4,453,925</b>
<b>State of Florida assessments</b>	<b>639,932</b>	<b>714,532</b>
<b>Other expenses</b>	<b>1,521,981</b>	<b>1,456,040</b>
<b>Total expenses</b>	<b>107,279,076</b>	<b>107,714,841</b>
<b>Operating Income (Loss)</b>	<b>841,296</b>	<b>(3,200,003)</b>
<b>Non-Operating Revenues</b>		
<b>Net investment income</b>	<b>6,009,771</b>	<b>5,941,562</b>
<b>Net (decrease) increase in fair value of investments</b>	<b>(460,586)</b>	<b>245,040</b>
	<b>5,549,185</b>	<b>6,186,602</b>
<b>Change in Net Position</b>	<b>6,390,481</b>	<b>2,986,599</b>
<b>Net position - beginning of year</b>	<b>90,960,299</b>	<b>87,973,700</b>
<b>Net Position - End of Year</b>	<b>\$ 97,350,780</b>	<b>\$ 90,960,299</b>

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Premiums collected from policyholders	\$ 102,147,686	\$ 102,124,819
Excess premiums paid to excess insurance carriers	(35,253,987)	(31,546,636)
Losses and loss adjustment expenses paid	(39,544,464)	(39,003,583)
Net other underwriting expense paid	(26,165,969)	(26,865,080)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,183,266</u>	<u>4,709,520</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of debt securities	(34,391,846)	(39,733,460)
Proceeds from sales and maturities of debt securities	29,262,131	29,166,351
Purchases of equity securities	(20,776,171)	(9,915,822)
Proceeds from sales of equity securities	19,928,503	14,547,689
Investment income collected	5,979,390	5,748,100
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>2,007</u>	<u>(187,142)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,185,273	4,522,378
<b>Cash and cash equivalents - beginning of year</b>	<u>11,333,605</u>	<u>6,811,227</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 12,518,878</u></u>	<u><u>\$ 11,333,605</u></u>

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**STATEMENTS OF CASH FLOWS - CONTINUED**

	<b>Years Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 841,296	\$ (3,200,003)
<b>CHANGES IN ASSETS AND LIABILITIES</b>		
(Increase) decrease in:		
Premiums receivable	(99,708)	179,162
Excess recoverables on paid losses	(5,846,438)	(2,620,434)
Prepaid expenses and other assets	(1,204,852)	(764,482)
Increase (decrease) in:		
Accounts payable and other liabilities	762,070	17,153
Claims service fee payable	(158,331)	157,330
State of Florida assessments payable	(26,540)	9,859
Unpaid losses and loss adjustment expenses	7,108,213	12,909,008
Unearned premiums	341,166	(1,134,377)
Member prepayments	(533,610)	(756,790)
Advances by excess insurers	-	(86,906)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 1,183,266</b>	<b>\$ 4,709,520</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Non-cash (decrease) increase in investment securities available-for-sale and net position as a result of change in the basis of investment securities available-for-sale to their estimated fair value	<b>\$ (460,586)</b>	<b>\$ 245,040</b>

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2018 and 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Preferred Governmental Insurance Trust (the "Trust") significant policies consistently applied in preparation of the accompanying financial statements follows. Other significant accounting policies are disclosed elsewhere in the financial statements and the notes thereto.

**Reporting Entity**

The Trust was created in 1999 to provide a program of property and casualty coverage as a governmental self insurance fund under the provisions of Section 624.462, Florida Statutes. The Trust is governed under the terms and conditions of an interlocal agreement amongst the governments that participate in the program (known as Members) adopted pursuant to Section 163.01, Florida Statutes.

Chapter 624 allows for any two or more local governments to enter into an interlocal agreement for the purpose of insuring those governments against loss or damage from any hazard or cause provided the self insurance fund has annual premiums in excess of \$5 million, maintains a program of self insurance evaluated by an independent actuary, submits audited financial statements to the State of Florida Office of Insurance Regulation on an annual basis and has a governing body comprised entirely of local elected officials. There are approximately 400 members of the Trust.

The Trust meets the statutory requirements and is comprised of local government entities that execute a Participation Agreement and thereby become members of the Trust. The governing body of the Trust (Trustees) consists of between five and nine local elected officials representing members of the Trust. Trustees are elected to staggered terms by a majority vote of the members or the Board of Trustees.

For financial reporting purposes, the Trust is a stand-alone entity: there are no component units included in the accompanying financial statements and the Trust is not considered a component unit of another entity.

**Basis of Accounting**

The Trust prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprise, and the prevailing practices within the insurance industry. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Basis of Accounting - Continued**

The assets, liabilities and net position of the Trust are reported in a self-balancing set of accounts representing funds available for support of the Trust's operations.

**Operating Revenues and Expenses**

The Trust defines operating revenues and expenses as all periodic activities that contribute to the measurement of its risk financing objectives. The principal operating revenues of the Trust consist of premium earnings, which are direct charges for services. Operating expenses include losses, ceded earnings, acquisition costs, taxes and administration. All revenues and expenses, including investment earnings, not meeting this definition are reported as non-operating.

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, demand deposit accounts with commercial banks and cash invested in commercial money market funds are considered cash equivalents. Investments that are held separately from the investment accounts and are highly liquid with an original maturity of ninety days or less when purchased or are so near their maturity that they present an insignificant risk of change in value because of changes in interest rates are considered to be cash equivalents.

**Investments**

The investments are stated at their estimated fair value in accordance with Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Any change in unrealized gains and losses on investments are reported in the Statements of Revenues, Expenses and Changes in Trust Net Position. All investments are categorized as current assets as the Trust has the ability to sell these investments should that be necessary.

**Fair Value Measurements**

The Trust applies the Financial Accounting Standards Board framework as a method of applying the definition of fair value in Governmental Accounting Standards Board

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Fair Value Measurements - Continued**

Statement No. 72. That framework provides a fair value hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets.**

**Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.**

**Level 3 - Inputs are unobservable and based on management estimate.**

**Excess Recoverables on Paid Losses**

**Recoverables from excess insurers on paid losses, if any, are reported as assets in the Statements of Net Position.**

**Recoverables from excess insurers on unpaid losses, if any are recorded as a reduction to the liability for unpaid losses and loss adjustment expenses in the Statements of Net Position.**

**Excess Insurance**

**The Trust uses excess insurance agreements to reduce its exposure to large losses on all types of insured events. Excess insurance permits recovery of a portion of losses from excess insurance carriers, although it does not discharge the primary liability of the Trust as direct insurer of the risk subject to those agreements. The Trust does not report risks that invade the excess layers as liabilities unless it is probable that those risks will not be covered by the excess insurer. Settled claims have not exceeded excess coverage in any of the past three fiscal years.**

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Policy Acquisition Costs**

Policy acquisition costs, which consist of agent commissions, are primarily related to the issuance of new insurance policies and these costs are expensed when the policy is written.

**Prepaid Expenses and Other Assets**

Ceded unearned premiums are accounted for as prepaid expenses and other assets. These costs are deferred and amortized on a straight-line basis over the life of the insurance contracts. Excess insurance premiums are generally paid in July and in October of each year and earned ratably each month.

**Unpaid Losses and Loss Adjustment Expenses**

The Trust establishes claims liabilities based on estimates of the ultimate cost of claims (including future allocated claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**Unearned Premiums**

Premiums are billed based upon the estimated annual premiums due and are earned on a straight line basis throughout the year. Amounts due are initially recorded as unearned premiums. Amounts due or paid that have not been recognized as revenues are displayed as unearned premiums.

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2018 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Earned Premiums

At year end, certain members that purchase workers' compensation from the Trust report actual payrolls to the administrator and the other members have a payroll audit. Any additional premiums due are billed at that time. Premiums for workers' compensation coverage as recorded herein are based upon actual payrolls as reported by the members for applicable accounts, and audited payrolls for the other members.

Income Taxes

The Trust is exempt from Income taxes under the provisions of Section 115 of the Internal Revenue Code.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts may have been reclassified to conform to current period classifications.

NOTE 2 - FAIR VALUE MEASUREMENTS

The following table sets forth, by level within the fair value hierarchy, the Trust's assets at estimated fair value:

	As of September 30, 2018			
	Level 1	Level 2	Level 3	Total
Debt securities	\$ -	\$ 152,316,836	\$ -	\$ 152,316,836
Equity securities	41,385,084	-	-	41,385,084
Total securities	\$ 41,385,084	\$ 152,316,836	\$ -	\$ 193,701,920

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 2 - FAIR VALUE MEASUREMENTS - CONTINUED**

	As of September 30, 2017			
	Level 1	Level 2	Level 3	Total
Debt securities	\$ -	\$ 151,326,654	\$ -	\$ 151,326,654
Equity securities	36,858,469	-	-	36,858,469
Total securities	\$ 36,858,469	\$ 151,326,654	\$ -	\$ 188,185,123

The Trust did not have any Level 3 assets at any point during the years ended September 30, 2018 and September 30, 2017. There were no significant transfers between Level 1 and Level 2 during the years ended September 30, 2018 and September 30, 2017.

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Trust uses three cash accounts to transact its ongoing business and three types of investment portfolios to handle investment activities. Cash accounts are generally classified as operating, premium trust, and claims. The Trust has two investment portfolios for debt securities. One investment portfolio has shorter and one investment portfolio has longer scheduled maturities. The Trust also has an investment portfolio devoted to equities.

**Cash and Cash Equivalents**

The three cash accounts divide administration of the transactional requirements of the Trust into separate bank accounts. The operating account is used to pay for the general administrative costs of the Trust. The premium trust account is the depository for premiums of members and is the source used to pay all premium related charges other than claims and general administrative costs. Claims payment accounts are used to pay claims and claims adjustment expenses. The claims accounts are the depositories for subrogation, deductible and excess reimbursements.

All bank deposit amounts are covered by either federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act (Chapter 280, Florida Statutes).

The Florida Security for Public Deposits Act (the Act) established guidelines for qualifications and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Trust deposits in qualified public depositories are totally insured. The qualified

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Cash and Cash Equivalents - Continued**

public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

**Investment Accounts**

The Board of Trustees formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that establishes permitted investments, asset allocation limits, credit rating requirements and maturity limits to protect the Trust's cash and invested assets. The investments of the Trust comply with the limitations of its policy. The primary investment objective of the investment accounts is to provide a market return over the long term. To achieve this result, the investment portfolio consists of short and intermediate debt securities and equity securities. Additionally, the entire portfolio is diversified across economic sectors, geographic locations, and industries.

Investment balances in each portfolio for the years ended September 30, 2018 and 2017 were as follows:

	<b>September 30, 2018</b>		<b>September 30, 2017</b>	
	<b>Estimated</b>	<b>Percent</b>	<b>Estimated</b>	<b>Percent</b>
	<b>Fair</b>	<b>Asset</b>	<b>Fair</b>	<b>Asset</b>
	<b>Value</b>	<b>Allocation</b>	<b>Value</b>	<b>Allocation</b>
Intermediate portfolio	\$ 128,372,457	66.2%	\$ 127,166,675	67.6%
Short-term portfolio	23,944,379	12.4%	24,159,979	12.8%
Total debt portfolio	152,316,836	78.6%	151,326,654	80.4%
Equity securities	41,385,084	21.4%	36,858,469	19.6%
Total	\$ 193,701,920	100%	\$ 188,185,123	100.0%

Authorized investments must, by policy, meet specific quality standards based upon ratings issued by a nationally recognized statistical rating organization (NRSRO) and are benchmarked against appropriate indices for purposes of quarterly reporting to the Board of Trustees. Investments allowed under the Trust's investment policy include:

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investment Accounts - Continued**

**Direct obligations of the United States Treasury including bills, notes, bonds and various forms of Treasury zero-coupon securities.**

**Obligations of the agencies or instrumentalities of the Federal Government including but not limited to the Federal Home Loan Mortgage Corp, Federal National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Banks, and the Student Loan Marketing Association.**

**Mortgage obligations guaranteed by the United States Government or sponsored agencies or instrumentalities. This includes mortgage pass-through securities as well as collateralized mortgage obligations.**

**Asset-based securities issued in the United States as long as they are rated AAA by at least one NRSRO.**

**Corporate fixed-income securities issued by any corporation in the United States as long as they are rated BBB or better at the time of purchase by any NRSRO.**

**U.S. dollar denominated and issued obligations and securities of foreign states or non-U.S. corporations which are rated BBB or better by at least one NRSRO.**

**Money market mutual funds as defined and regulated by the SEC.**

**Repurchase agreements.**

**Commercial paper issued in the United States by any corporation with a rating of at least A1 by at least one NRSRO.**

**Certificates of deposit.**

**Securities of state, municipal and county governments or their public agencies as long as they are rated at least BBB or better by an NRSRO.**

**Guaranteed investment contracts issued by insurance companies rated at least BBB or better by one NRSRO.**

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investment Accounts - Continued**

Commingled investment funds, including but not limited to exchange traded funds, investment trusts, limited partnerships and listed no-load mutual funds.

Equity securities including common stock, preferred stock, American depository receipts and interest bearing obligations having an option to convert into common stock.

**Investments - Debt Securities**

The following disclosures have been prepared relative to the debt securities included in the short-term and intermediate-term debt securities portfolios of the Trust.

*Interest rate risk.* The risk that the market value of securities in a portfolio may fall due to changes in general interest rates is referred to as interest rate risk. The Trust mitigates that risk by structuring its portfolio such that securities mature to meet cash requirements for ongoing operations or otherwise are available to meet possible temporary cash flow requirements that might be associated with increased losses. The Trust's strategy is designed to avoid the need to sell securities on the open market prior to maturity.

The Trust uses effective duration as a measurement of interest rate risk. Duration, as distinct from maturity, determines the amount of price volatility the portfolio would experience given a shift in interest rates. For example, a portfolio with a duration of 3.5 years would incur a price decrease (increase) of 3.5% in the event of a 1% increase (decrease) in interest rates. Maturity is the contractual end date of a debt security. Average life is used in the place of maturity for all debt securities such as mortgages that are subject to both amortization and prepayment. Mortgage backed securities included in the portfolios are assigned an expected average life as a proxy for their maturity and to provide a reasonable basis for assessing compliance with the investment policy of the Trust. Expected average life anticipates the period a security will be outstanding based on both the contracted or scheduled maturity of the instrument and the likelihood of prepayments.

As of September 30, 2018 and 2017, the Trust's debt securities portfolios were segregated into two distinct portfolios defined in the Trust's investment policy by the maximum maturity of their individual securities.

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2018 and 2017

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Debt Securities - Continued**

The short-term debt securities portfolio limits the maximum maturity of securities to three years. The typical effective duration of the short-term debt securities portfolio is around one year and within a range of six to eighteen months. As of September 30, 2018 and 2017, the average maturity of the short-term debt securities portfolio was 1.09 years and 1.13 years, respectively; and the effective duration was 0.98 years and 0.90 years, respectively.

The intermediate-term debt securities portfolio limits maximum maturity of securities to ten years. The typical effective duration of the intermediate-term debt security portfolio is between 2.5 and 5.5 years. As of September 30, 2018 and 2017, the average maturity of the intermediate-term debt securities portfolio was 4.87 years and 4.28 years, respectively; and the effective duration was 4.15 years and 3.66 years, respectively.

The combined investment portfolios had a weighted average duration of 3.66 years and 3.22 years as of September 30, 2018 and 2017, respectively.

The schedule below shows the Trust's debt securities at September 30, 2018 and 2017.

Investments in debt securities are stated at their estimated fair value and consist of the following:

	September 30, 2018			
	Amortized Cost	Estimated Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
U.S. Treasury securities	\$ 20,386,291	\$ 19,548,126	\$ 6,165	\$ ( 844,330 )
Other governmental agencies	4,250,632	4,212,323	1,979	( 40,288 )
Corporate notes	87,802,934	86,562,391	157,570	( 1,398,113 )
Mortgage-backed paydown securities	43,162,475	41,993,996	177,745	( 1,346,224 )
<b>Total debt securities</b>	<b>\$ 155,602,332</b>	<b>\$ 152,316,836</b>	<b>\$ 343,459</b>	<b>\$ ( 3,628,955 )</b>

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Debt Securities - Continued**

	<b>September 30, 2017</b>			
	<b>Amortized Cost</b>	<b>Estimated Fair Value</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>
U.S. Treasury securities	\$ 20,765,491	\$ 20,468,074	\$ 17,576	\$ ( 314,993 )
Other governmental agencies	4,689,939	4,670,937	325	( 19,327 )
Corporate notes	80,901,145	81,665,913	902,827	( 138,059 )
Mortgage-backed paydown securities	<u>44,280,100</u>	<u>44,521,730</u>	<u>527,299</u>	<u>( 285,669 )</u>
Total debt securities	<u>\$ 150,636,675</u>	<u>\$ 151,326,654</u>	<u>\$ 1,448,027</u>	<u>\$ ( 758,048 )</u>

The amortized cost and estimated fair value of debt securities as of September 30, 2018 and 2017 by contractual maturity are shown below. In some instances, actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<b>September 30, 2018</b>			
	<b>Amortized Cost</b>	<b>Estimated Fair Value</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>
Due in one year or less	\$ 22,047,335	\$ 21,985,620	\$ 46,367	\$ ( 108,082 )
Due after one year through five years	58,901,975	58,276,315	107,703	( 733,363 )
Due after five years through ten years	31,490,547	30,060,905	11,644	( 1,441,286 )
Mortgage-backed paydown securities	<u>43,162,475</u>	<u>41,993,996</u>	<u>177,745</u>	<u>( 1,346,224 )</u>
Total debt securities	<u>\$ 155,602,332</u>	<u>\$ 152,316,836</u>	<u>\$ 343,459</u>	<u>\$ ( 3,628,955 )</u>

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2018 and 2017

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

	September 30, 2017			
	Amortized Cost	Estimated Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Due in one year or less	\$ 25,889,588	\$ 25,949,978	\$ 69,650	\$ ( 9,260 )
Due after one year through five years	51,385,139	51,938,426	623,041	( 69,754 )
Due after five years through ten years	29,081,848	28,916,520	228,037	( 393,365 )
Mortgage-backed paydown securities	<u>44,280,100</u>	<u>44,521,730</u>	<u>527,299</u>	<u>( 285,669 )</u>
Total debt securities	<u>\$ 150,636,675</u>	<u>\$ 151,326,654</u>	<u>\$ 1,448,027</u>	<u>\$ ( 758,048 )</u>

Proceeds from sales of investment securities were approximately \$25,800,000 and \$23,900,000 during the years ended September 30, 2018 and 2017, respectively. Realized gains and losses of approximately \$3,100,000 and \$(1,200,000), respectively, were realized on the sales of investment securities during the year ended September 30, 2018. Realized gains and losses of approximately \$2,000,000 and \$(700,000), respectively, were realized on the sales of investment securities during the year ended September 30, 2017.

The following is a weighted average duration by security type as of September 30, 2018 and 2017:

	September 30, 2018		September 30, 2017	
	Estimated Fair Value	Weighted Average Duration	Estimated Fair Value	Weighted Average Duration
U.S. Treasury securities	\$ 19,548,126	3.94	\$ 20,468,074	4.53
Other governmental agencies	4,212,323	1.33	4,670,937	1.02
Corporate notes	86,562,391	3.11	81,665,913	2.92
Mortgage-backed paydown securities	<u>41,993,996</u>	4.93	<u>44,521,730</u>	3.43
Total debt securities	<u>\$ 152,316,836</u>		<u>\$ 151,326,654</u>	

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Debt Securities - Continued**

The weighted average maturity of mortgage-backed paydown securities is approximately 20.6 years and 22.2 years at September 30, 2018 and 2017, respectively, based upon the contractual due dates of the individual securities. The effective duration for these securities, however is approximately 4.93 years and 3.43 years at September 30, 2018 and 2017, respectively, based upon the estimated times these securities will be outstanding.

*Credit risk.* The risk that losses might occur a result of the failure of a security issuer or backer is referred to as credit risk. The Trust's investments policy attempts to mitigate credit risk by limiting investments to the safest types of securities and by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The Trust had the following investments and credit ratings with the percent asset allocations at September 30, 2018 and 2017. The credit ratings are those of only one NRSRO.

	<u>Credit Rating</u>	<u>Portfolio Asset Allocation</u>	
		<u>9/30/18</u>	<u>9/30/17</u>
U.S. Treasury notes	TSY	12.8 %	13.5 %
Other governmental agencies	AGY	30.4	32.6
Corporate notes	AAA	2.6	1.0
Corporate notes	AA1	2.0	1.7
Corporate notes	AA2	3.0	4.2
Corporate notes	AA3	3.1	2.4
Corporate notes	A1	7.6	11.0
Corporate notes	A2	11.2	5.8
Corporate notes	A3	8.2	9.9
Corporate notes	BAA1	13.4	12.5
Corporate notes	BAA2	3.4	3.7
Corporate notes	BAA3	2.3	1.7

All debt securities purchased by the Trust must meet minimum credit rating requirements at the time of their acquisition. In the event of subsequent ratings downgrades, a security may continue to be held if it is believed that the ultimate repayment of principal and interest is still highly certain. The Trust's investment policy allows for corporate notes that fall outside investment guidelines to be held if management considers repayment to be highly certain.

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2018 and 2017

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

*Custodial credit risk.* The Trust's investment policy pursuant to Section 218.415(18), Florida Statutes requires securities to be held with a third party custodian; and all securities purchased by, and all collateral obtained by the Trust should be properly designated as an asset of the Trust. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

*Concentration of credit risk.* Investment policy guidelines are specific to investment types maintained by the Trust. Additionally, within each account type, the Trust limits the amount held in any one investment.

Intermediate-Term Debt Securities Portfolio

The intermediate-term debt securities portfolio is limited by the Trust's investment policy to debt securities with an effective maturity of any individual holding not to exceed ten years. Except for U.S. Treasury securities and money market funds, not more than 10% of the assets of the portfolio may be invested in the securities of any single issuer.

As of September 30, 2018 and 2017, the Trust had the following issuer concentrations based on fair value of the five largest individual issuers in the intermediate-term debt securities portfolio aside from direct obligations of the United States government:

	September 30, 2018	
	Estimated Fair Value	Estimated Percent Asset Allocation
Cisco Systems, Inc.	\$ 1,921,330	1.5 %
Citigroup, Inc.	1,954,933	1.5
Apple, Inc.	1,927,022	1.5
Ford Motor Co.	1,882,286	1.5
Walmart Inc.	1,505,983	1.2
U. S. Treasury securities	12,252,030	9.5
Other governmental agencies	65,134,375	50.7
Other (combined)	41,794,497	32.6
Total intermediate-debt securities	\$ 128,372,456	100 %

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Intermediate-Term Debt Securities Portfolio - Continued**

	<u>September 30, 2017</u>	
	<u>Estimated Fair Value</u>	<u>Estimated Percent Asset Allocation</u>
Cisco Systems, Inc.	\$ 2,470,735	1.9 %
Anheuser-Busch	1,519,835	1.2
Apple, Inc.	1,996,720	1.6
Gilead Sciences, Inc.	1,565,040	1.2
The Home Depot, Inc.	1,488,490	1.2
U. S. Treasury securities	14,320,180	11.3
Other governmental agencies	59,447,634	46.7
Other (combined)	<u>44,358,041</u>	<u>34.9</u>
Total intermediate-debt securities	<u>\$ 127,166,675</u>	<u>100 %</u>

**Short-Term Debt Securities Portfolio**

The short-term debt securities portfolio is limited by the Trust's investment policy to debt securities with an effective maturity of any individual holding not to exceed three years. Except for U.S. Treasury securities and money market funds, not more than 10% of the assets of the portfolio may be invested in the securities of any single issuer.

As of September 30, 2018 and 2017, the Trust had the following issuer concentrations based on fair value of the five largest individual issuers in the short-term debt securities portfolio aside from direct obligations of the United States government:

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Short-Term Debt Securities Portfolio - Continued**

	<b>September 30, 2018</b>	
	<b>Estimated Fair Value</b>	<b>Estimated Percent Asset Allocation</b>
Apple, Inc.	\$ 598,392	2.5 %
Morgan Stanley Group	545,680	2.3
Toronto-Dominion Bank	529,830	2.2
Barclays Bank	514,677	2.1
Caterpillar Financial Services Corp.	502,471	2.1
U.S. Treasury securities	7,296,096	30.5
Other governmental agencies	4,411,817	18.4
Other (combined)	9,545,416	39.9
Total short-term debt securities	<u>\$ 23,944,379</u>	<u>100 %</u>

	<b>September 30, 2017</b>	
	<b>Estimated Fair Value</b>	<b>Estimated Percent Asset Allocation</b>
Apple, Inc.	\$ 601,440	2.5 %
General Electric Co.	553,839	2.3
Morgan Stanley Group	551,562	2.3
Union Pacific Corp.	503,770	2.1
Caterpillar Financial Services Corp.	502,855	2.1
U.S. Treasury securities	6,147,894	25.4
Other governmental agencies	4,834,625	20.0
Other (combined)	10,463,994	43.3
Total short-term debt securities	<u>\$ 24,159,979</u>	<u>100 %</u>

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

September 30, 2018 and 2017

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Equity Securities Portfolio**

The following disclosures have been prepared relative to the equity securities included in the equity portfolios of the Trust. While equity securities have a greater volatility than debt securities, the Trust attempts to mitigate the risk assumed by this asset allocation by investing in a well diversified mix of equity securities.

The equity portfolio is limited to publically traded U.S. common or preferred equity securities listed on major U.S. exchanges, American Depository Receipts of foreign corporations traded on major U.S. exchanges, open ended mutual funds that have a three year track record and a market value of at least \$250 million, exchange traded funds and money market funds.

Since the Trust allocates a maximum of 20% (plus or minus five percent) of its investment portfolio to equities and holds approximately sixty equity securities with weightings of up to three percent of the equity securities portfolio, the Trust limits its exposure to the volatility of any individual equity security.

The cost and estimated fair value of equity securities as of September 30, 2018 and 2017 are shown below:

September 30, 2018				
	Cost	Estimated Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Equity securities	\$ <u>31,013,503</u>	\$ <u>41,385,084</u>	\$ <u>10,612,676</u>	\$ ( <u>241,095</u> )
September 30, 2017				
	Cost	Estimated Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Equity securities	\$ <u>30,043,170</u>	\$ <u>36,858,469</u>	\$ <u>7,349,230</u>	\$ ( <u>533,931</u> )

**Foreign Currency Risk**

All securities purchased by the Trust must be denominated in U. S. dollars. The Trust has no exposure to foreign currency risk.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

Information pertaining to securities with gross unrealized losses at September 30, 2018 and September 30, 2017, respectively, aggregated by length of time individual securities have been in a continuous loss position, is as follows:

	September 30, 2018		September 30, 2018		September 30, 2017	
	Less than 12 Months		12 Months or Greater		Total	
	Estimated Market Value	Gross Unrealized Losses	Estimated Market Value	Gross Unrealized Losses	Estimated Market Value	Gross Unrealized Losses
U.S. Treasury securities	\$ 3,493,142	\$ ( 55,193)	\$ 13,471,334	\$ ( 789,137)	\$ 16,964,476	\$ ( 844,330)
Other governmental agencies	984,715	( 14,155)	2,670,180	( 26,133)	3,654,895	( 40,288)
Corporate notes	49,773,241	( 863,924)	18,777,986	( 534,189)	68,551,227	( 1,398,113)
Mortgage-backed paydown securities	20,356,814	( 606,134)	16,930,659	( 740,090)	37,287,473	( 1,346,224)
Total debt securities	74,607,912	( 1,539,406)	51,850,159	( 2,089,549)	126,458,071	( 3,628,955)
Equity securities	2,576,396	( 241,095)	-	( -)	2,576,396	( 241,095)
	<u>\$ 77,184,308</u>	<u>\$ ( 1,780,501)</u>	<u>\$ 51,850,159</u>	<u>\$ ( 2,089,549)</u>	<u>\$ 129,034,467</u>	<u>\$ ( 3,870,050)</u>

	September 30, 2017		September 30, 2017		September 30, 2017	
	Less than 12 Months		12 Months or Greater		Total	
	Estimated Market Value	Gross Unrealized Losses	Estimated Market Value	Gross Unrealized Losses	Estimated Market Value	Gross Unrealized Losses
U.S. Treasury securities	\$ 10,132,683	\$ ( 164,275)	\$ 5,351,461	\$ ( 150,718)	\$ 15,484,144	\$ ( 314,993)
Other governmental agencies	3,189,746	( 8,048)	1,388,472	( 11,279)	4,578,218	( 19,327)
Corporate notes	21,623,675	( 129,489)	2,993,230	( 8,570)	24,616,905	( 138,059)
Mortgage-backed paydown securities	27,252,983	( 268,942)	662,851	( 16,727)	27,915,834	( 285,669)
Total debt securities	62,199,087	( 570,754)	10,396,014	( 187,294)	72,595,101	( 758,048)
Equity securities	2,203,565	( 301,164)	1,752,498	( 232,767)	3,956,063	( 533,931)
	<u>\$ 64,402,652</u>	<u>\$ ( 871,918)</u>	<u>\$ 12,148,512</u>	<u>\$ ( 420,061)</u>	<u>\$ 76,551,164</u>	<u>\$ ( 1,291,979)</u>

The unrealized losses on 148 and 81 debt securities at September 30, 2018 and 2017, respectively, were caused primarily by rising interest rates. The severity of the impairment (ranging from minimal to 8% and minimal to 4%, respectively) is consistent with the general trend in debt securities.

The unrealized losses on 3 and 9 equity securities at September 30, 2018 and 2017, respectively, were caused primarily by normal stock price fluctuations. The severity of the impairment (ranging from 4% to 16% and 1% to 28%, respectively) is consistent with the individual variability of a stock price over a short-term period of time.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

The Trust has evaluated the near-term prospects of the issuers in relation to the severity and duration of the above impairments and has intent and ability to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value. Further, the Trust has evaluated each issuer and noted no issuer with compelling evidence that any of these losses are permanent. Based on this analysis, the Trust does not consider these investments to be other-than-temporarily impaired at September 30, 2018 and 2017.

**NOTE 4 - PREMIUMS RECEIVABLE/MEMBER PREPAYMENTS**

Premiums receivable consist primarily of billed installments of policies written as well as additional premium amounts determined due to the Trust as a result of payroll audits. Based upon an analysis of past due receivables, it is management's opinion that no allowance for uncollectible accounts is necessary.

**NOTE 5 - EXCESS INSURANCE RECOVERABLES ON PAID AND UNPAID LOSSES**

The Trust purchased specific excess insurance to protect against large individual losses. This insurance indemnifies the Trust when paid losses on an individual occurrence exceed the retention level specified in the appropriate contract. The limits and retentions vary by line of business and by policy year.

The largest amount due from a single carrier on paid losses at September 30, 2018 and 2017 is approximately \$915,000 and \$1,710,000, respectively.

There are excess insurance recoverables on unpaid losses of approximately \$84,820,000 (discounted) and \$91,606,000 (discounted) as of September 30, 2018 and 2017, respectively. The amounts due were owed by several carriers at both September 30, 2018 and 2017, respectively.

The failure of the excess insurers to honor their obligations could result in losses to the Trust. The Trust evaluates the financial condition of its excess insurers to minimize its exposure to significant losses from excess insurer insolvency. To the extent that excess insurance coverage of the Trust is deemed to be excess insurance under applicable Florida Statutes, any recoverables from an insolvent carrier would likely be paid by the applicable state operated guaranty fund.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 5 - EXCESS INSURANCE RECOVERABLES ON PAID AND UNPAID LOSSES - CONTINUED**

The effects of reinsurance on premiums written and earned are as follows:

	<b>Year Ended September 30, 2018</b>		<b>Year Ended September 30, 2017</b>	
	<u><b>Earned</b></u>	<u><b>Written</b></u>	<u><b>Earned</b></u>	<u><b>Written</b></u>
<b>Direct</b>	\$ 108,120,372	\$ 108,120,372	\$ 104,514,838	\$ 104,514,838
<b>Ceded</b>	<u>35,253,987</u>	<u>36,568,610</u>	<u>31,459,730</u>	<u>32,141,991</u>
<b>Net</b>	\$ <u>72,866,385</u>	\$ <u>71,551,762</u>	\$ <u>73,055,108</u>	\$ <u>72,372,847</u>

**NOTE 6 - PREPAID EXPENSES AND OTHER ASSETS**

Prepaid expenses and other assets consist of the following at September 30:

	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Excess premiums</b>	\$ 13,610,453	\$ 12,295,830
<b>Administrative fees</b>	<u>1,100,389</u>	<u>1,210,160</u>
<b>TOTAL</b>	\$ <u>14,710,842</u>	\$ <u>13,505,990</u>

These items will be charged to expenses during the succeeding year.

**NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

The reserves for unpaid losses and loss adjustment expenses are based upon evaluations of the Trust's losses as prepared by the Trust's independent actuary. These evaluations are significant estimates which are subject to change. These changes can be material in relation to the financial statements taken as a whole. These evaluations include an estimated provision for incurred but not reported losses (IBNR) as well as reported losses. The undiscounted IBNR provision totals approximately \$89,304,000 and \$85,254,000 as of September 30, 2018 and 2017, respectively.

The reserves for unpaid losses and loss adjustment expenses have been discounted for the time value of money. These reserves have been discounted over the estimated payout period of the losses based upon data provided by the independent actuary and utilizing an interest rate of 2% as of September 30, 2018 and 2017, which represents the anticipated investment earnings while the losses are being paid out. The discount totals approximately \$10,002,000 and \$8,921,000 at September 30, 2018 and 2017, respectively.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES -  
CONTINUED**

Any change in the estimate of ultimate incurred losses and loss adjustment expenses as compared to the prior years will result in a direct increase (favorable development) or decrease (unfavorable development) in the current year's net income. Increases or decreases of this nature occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses. In addition, there are no premium adjustments made based on loss development, as there are no retrospectively rated policies.

The schedule below presents the changes in claims liabilities for the past three years of the Trust.

	<u>September 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Unpaid losses and loss adjustment expenses</b>			
at the beginning of the year	\$ 118,361,672	\$ 105,452,664	\$ 85,677,499
<b>Incurred losses and losses adjustment expenses:</b>			
Provision for insured events of the			
current fiscal year	53,270,498	58,613,966	54,288,564
Provision for insured events of prior			
fiscal years	( 6,617,821 )	( 6,701,375 )	219,194
<b>Total incurred losses and loss adjustment</b>			
<b>expenses</b>	<u>46,652,677</u>	<u>51,912,591</u>	<u>54,507,758</u>
<b>Payments:</b>			
Losses and loss adjustment expenses			
attributable to insured events of the			
current fiscal year	12,511,430	13,974,075	11,351,283
Losses and loss adjustment expenses			
attributable to insured events of prior			
fiscal years	<u>27,033,034</u>	<u>25,029,508</u>	<u>23,381,310</u>
<b>Total payments</b>	<u>39,544,464</u>	<u>39,003,583</u>	<u>34,732,593</u>
<b>Unpaid losses and loss adjustment expenses</b>			
at the end of the year	<u>\$ 125,469,885</u>	<u>\$ 118,361,672</u>	<u>\$ 105,452,664</u>

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES -  
CONTINUED**

As noted in Note 1 and Note 5, the Trust has purchased specific excess insurance to protect itself against large losses. The incurred losses of the Trust are net of the effects of recoveries recognized under the excess insurance contracts referred to above. During the years ended September 30, 2018 and 2017, the Trust experienced an increase in the anticipated recoveries recognized from these contracts of \$20.8 million and \$31.8 million, respectively, which has been recorded as a decrease to losses and loss adjustments expenses in the respective years.

The unpaid losses and loss adjustment expenses as of September 30, 2018 will be paid over many years due to the types of coverages written by the Trust. The exact timing of payment of these amounts is unknown and subject to many variables, however the net amount estimated to be paid during 2019 is approximately \$32.4 million, consistent with the \$27.0 million paid in the prior year.

**NOTE 8 - ACCOUNTS PAYABLE AND OTHER LIABILITIES**

Trust members with a self-insured retention pay for losses and these losses are reimbursed by the Trust. These reimbursements are made by the Trust once all required support is received. As of September 30, 2018 and 2017, the amounts recorded as payable to members for these payments was approximately \$770,000 and \$--, respectively. These amounts are included in accounts payable and other liabilities.

**NOTE 9 - CONTINGENCIES**

The Trust has contingencies related to claims services and other contingencies at September 30, 2018 and 2017.

***A. Claims Services***

Preferred Governmental Claim Services (herein after referred to as PGCS) is responsible for providing adjusting services for claims arising during the term of the contract. This includes adjusting services applicable to claims incurred in prior years provided that the contract is still in effect. In the event that the Trust becomes insolvent, PGCS would be required to provide claims adjusting services with respect to all open claims files until such files are closed.

However, in the event that the contract is terminated or not renewed, PGCS has no further obligation to adjust these claims beyond the contract period. Accordingly, the Trust would be liable for costs of adjusting the claims during the runoff period.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 9 - CONTINGENCIES - CONTINUED**

***A, Claims Services - Continued***

The amount of the obligation would be dependent upon a number of factors, including but not limited to the number of open claims upon termination, the severity of open claims, the laws in effect at the time of contract termination, as well as any subsequent changes to the law and the date of contract termination.

As the contract with PGCS has not been terminated as of September 30, 2018 or 2017 and due to the number of variables discussed above, it is not possible to determine the amount of this liability, if any. Accordingly, the accompanying financial statements make no provision for any such costs.

***B. Other***

Various lawsuits against the Trust have arisen in the course of the Trust's business. Contingent liabilities arising from litigation and other matters, not previously detailed, are not considered material in relation to the financial position of the Trust.

**NOTE 10 - ADMINISTRATIVE SERVICES AND CLAIM SERVICES AND CERTAIN  
BROKER AND AGENT COMMISSIONS**

The Trust contracts with Public Risk Underwriters (PRU) to provide certain administrative services to the Trust. The Trust incurred expenses under the above referenced contract of \$10,884,738 and \$10,681,273 for the years ended September 30, 2018 and 2017, respectively, of which \$1,100,389 and \$1,210,160 were prepaid as of September 30, 2018 and 2017, respectively.

The Trust also contracts with Preferred Governmental Claim Solutions (PGCS), an affiliate of PRU, to provide claims adjustment services. The Trust incurred expenses under the above referenced contract of \$4,854,010 and \$4,453,925 for the years ended September 30, 2018 and 2017, respectively, of which \$360,080 and \$518,411 is payable as of September 30, 2018 and 2017, respectively.

In conjunction with adjusting claims, PGCS utilizes affiliates for certain claims procedures. These amounts are included in the claims expense in the accompanying financial statements. The Trust incurred expenses for these services of approximately \$1,689,000 and \$1,761,000 for the years ended September 30, 2018 and 2017.

There are various insurance agents that are affiliated with PRU that produce business for the Trust. The Trust incurred commission expenses with these agents of approximately \$5,400,000 and \$5,237,000 for the years ended September 30, 2018 and 2017, respectively. Substantially all of the amounts referenced above were paid as of September 30, 2018 and 2017.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2018 and 2017**

**NOTE 10 - ADMINISTRATIVE SERVICES AND CLAIM SERVICES AND CERTAIN  
BROKER AND AGENT COMMISSIONS**

The Trust utilizes certain affiliates of PRU to place excess contracts and other insurance products purchased by the Trust. These affiliates receive a commission for the placement of the coverage. The commissions attributable to these contracts totaled approximately \$2,686,000 and \$2,940,000 for the years ended September 30, 2018 and 2017, respectively. These commissions are included as part of the cost of excess insurance in the accompanying financial statements.

**NOTE 11 - CONCENTRATIONS**

The Trust writes select lines of insurance coverage for public entities within the State of Florida only. Approximately 24% of the 400 members represented 64% of member premiums for the year ended September 30, 2018 and 23% of the 400 members represented 60% of member premiums for the year ended September 30, 2017.

The Trust maintains cash in demand deposit accounts with federally insured banks that are also designated by the State of Florida as qualified public depositories. At times, the balances in these accounts may be in excess of federally insured limits and benefit from the collateral protection afforded by Chapter 280 of the Florida statutes.

The Trust's investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Trust.

**NOTE 12 - RISK MANAGEMENT**

The Trust is exposed to various risks of loss. The Trust participates in the property, liability and workers' compensation pools offered by the Trust and carries other commercial insurance.

**NOTE 13 - SUBSEQUENT EVENTS**

Management considered subsequent events through January 21, 2019, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**



Shores, Tagman, Butler & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION**

**Board of Trustees**

**Preferred Governmental Insurance Trust**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Reconciliation of Claims Liabilities by Line of Business and the Comparative Schedule of Claims Development and Earned Assessments are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

January 21, 2019

*Sh. Tagman, Butler & Company, P.A.*

**Preferred Governmental Insurance Trust**

**Reconciliation of Claims Liabilities by Line of Business**

The schedule below presents the changes in claims liabilities for the past two years by major line of businesses (in thousands).

	<u>Year Ended 9/30/2018</u>			<u>Year Ended 9/30/2017</u>		
	<u>Workers'</u>	<u>Other</u>		<u>Workers'</u>	<u>Other</u>	
	<u>Comp</u>	<u>Property</u>	<u>Total</u>	<u>Comp</u>	<u>Property</u>	<u>Total</u>
		<u>&amp;</u>			<u>&amp;</u>	
		<u>Casualty</u>			<u>Casualty</u>	
Unpaid losses and loss adjustment expenses at the beginning of year	\$ 47,924	\$ 70,438	\$ 118,362	\$ 46,548	\$ 58,905	\$ 105,453
Incurring losses and loss adjustment expenses:						
Provision for insured events of the current fiscal year	30,436	22,834	53,270	31,908	26,706	58,614
Provision for insured events of prior fiscal years	(5,470)	(1,147)	(6,617)	(4,142)	(2,559)	(6,701)
Total incurred losses and loss adjustment expenses	<u>24,966</u>	<u>21,687</u>	<u>46,653</u>	<u>27,766</u>	<u>24,147</u>	<u>51,913</u>
Payments:						
Losses and loss adjustment expenses attributable to insured events of the current fiscal year	7,511	11,507	19,018	8,609	5,365	13,974
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	<u>4,099</u>	<u>16,428</u>	<u>20,527</u>	<u>17,781</u>	<u>7,249</u>	<u>25,030</u>
Total payments	<u>11,610</u>	<u>27,935</u>	<u>39,545</u>	<u>26,390</u>	<u>12,614</u>	<u>39,004</u>
Unpaid losses and loss adjustment expenses at the end of year	<u>\$ 61,280</u>	<u>\$ 64,190</u>	<u>\$ 125,470</u>	<u>\$ 47,924</u>	<u>\$ 70,438</u>	<u>\$ 118,362</u>

**Preferred Governmental Insurance Trust**  
**COMPARATIVE SCHEDULE OF CLAIMS DEVELOPMENT AND EARNED ASSESSMENTS**  
For the Period October 1, 2008 through September 30, 2018  
*Year ending September 30,*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Premiums and investment revenue:</b>										
Earned	\$ 108,120,372	\$ 104,514,838	\$ 96,719,649	\$ 92,916,474	\$ 92,197,372	\$ 87,701,784	\$ 88,231,625	\$ 87,299,705	\$ 81,794,374	\$ 93,637,322
Ceded	(35,253,987)	(31,459,730)	(30,909,700)	(33,124,606)	(38,869,012)	(44,940,383)	(45,306,504)	(41,565,671)	(37,970,228)	(36,926,617)
Net earned	72,866,385	73,055,108	65,809,949	59,791,868	53,328,360	42,761,401	42,925,121	45,734,034	43,824,146	56,710,705
Net investment income	5,549,185	5,941,462	4,070,878	5,527,402	4,378,529	3,178,293	3,416,155	3,933,269	3,520,422	3,367,572
Unallocated expenses	25,372,412	24,342,520	21,755,655	20,845,434	20,584,448	20,904,884	21,211,849	20,712,210	19,625,149	22,072,593
<b>Estimated incurred losses and expenses, end of policy year (1):</b>										
Incurred	65,497,011	88,303,213	37,593,464	47,484,855	44,299,013	50,364,530	48,245,026	55,233,820	47,003,739	47,325,568
Ceded	(12,226,513)	(29,689,247)	(16,695,100)	(2,971,554)	(7,623,820)	(21,124,297)	(17,606,292)	(19,016,323)	(14,784,116)	(13,170,406)
Net incurred	53,270,498	58,613,966	20,898,364	44,513,301	36,675,193	29,240,233	30,638,734	36,217,497	32,219,623	34,155,162
<b>Paid (cumulative) as of:</b>										
End of policy year	12,511,430	13,974,075	11,351,283	8,876,651	6,873,787	7,506,242	7,059,976	7,210,710	5,896,796	6,343,321
One year later	-	25,295,124	21,206,906	19,914,172	16,125,646	14,706,425	13,535,656	15,820,204	13,001,877	12,282,940
Two years later	-	-	26,802,530	26,071,073	20,865,478	18,582,949	16,837,776	19,958,802	15,033,640	15,697,732
Three years later	-	-	-	31,269,516	24,810,326	21,759,787	19,318,694	22,593,493	16,270,880	17,606,992
Four years later	-	-	-	-	26,758,537	23,455,767	21,000,705	24,045,724	17,062,578	18,487,765
Five years later	-	-	-	-	-	24,414,322	22,738,993	26,926,565	17,751,010	19,033,165
Six years later	-	-	-	-	-	-	23,710,479	26,027,596	18,504,089	19,397,759
Seven years later	-	-	-	-	-	-	-	26,552,406	18,718,561	19,812,541
Eight years later	-	-	-	-	-	-	-	-	18,482,621	20,039,652
Nine years later	-	-	-	-	-	-	-	-	-	20,137,540
Re-estimated ceded losses and expenses (1)	12,226,513	28,992,818	10,306,044	7,800,230	13,178,746	18,387,256	20,403,938	18,972,728	17,170,383	
<b>Re-estimated net incurred losses: (1)</b>										
End of policy year	53,270,498	58,613,966	54,288,564	44,513,301	36,675,193	29,240,233	30,638,734	36,217,497	32,219,623	34,155,162
One year later	-	55,181,733	49,286,557	46,463,847	39,799,393	28,504,518	28,005,958	30,249,675	26,508,001	28,303,595
Two years later	-	-	47,321,842	46,013,092	39,114,277	27,488,221	25,707,277	29,297,909	22,523,669	24,984,531
Three years later	-	-	-	46,160,390	38,289,513	27,108,260	25,060,452	28,332,831	20,723,373	22,723,474
Four years later	-	-	-	-	37,689,982	27,058,553	25,059,799	27,592,857	20,206,002	21,902,413
Five years later	-	-	-	-	-	26,725,143	25,388,917	29,018,236	19,842,013	21,595,305
Six years later	-	-	-	-	-	-	25,257,600	27,286,446	19,898,990	21,054,071
Seven years later	-	-	-	-	-	-	-	27,417,623	19,713,140	21,106,221
Eight years later	-	-	-	-	-	-	-	-	19,272,974	21,023,995
Nine years later	-	-	-	-	-	-	-	-	-	20,869,651
Increase (decrease) in estimated incurred losses and expenses from end of policy year	\$ (3,432,233)	\$ (6,966,722)	\$ 1,647,089	\$ 1,014,789	\$ (2,515,090)	\$ (5,381,134)	\$ (8,799,874)	\$ (12,946,649)	\$ (13,285,511)	

## PARTICIPATION AGREEMENT

### Application for Membership in the Preferred Governmental Insurance Trust

The undersigned local governmental entity, certifying itself to be a public agency of the State of Florida as defined in Section 163.01, Florida Statutes, hereby formally makes application with the Trust for continuing workers compensation, liability, property and/or casualty coverage through membership in the Preferred Governmental Insurance Trust, to become effective 12:01 a.m. 10/01/2019 (effective date of coverage agreement), and if accepted by the Fund's duly authorized representative, does hereby agree as follows:

- (a) To accept and be bound by the provisions of the Florida Workers' Compensation Act;
- (b) That, by this reference, the terms and provisions of the Amended Interlocal Agreement creating the Preferred Governmental Insurance Trust date October 1, 2004 are hereby adopted, approved and ratified by the undersigned local governmental entity. The undersigned local governmental entity certifies that it has received a copy of the aforementioned Amended Interlocal Agreement and further agrees to be bound by the provisions and obligations of the Amended Interlocal Agreement as provided therein;
- (c) To pay all premiums on or before the date the same shall become due and, in the event Applicant fails to do so, to pay any reasonable late penalties and charges arising therefrom, and all costs of collection thereof, including reasonable attorneys' fees;
- (d) To abide by the rules and regulations adopted by the Board of Trustees of the Fund;
- (e) That should either the Applicant or the Fund desire to cancel coverage, it will give not less than thirty (30) days prior written notice of cancellation;
- (f) That all information contained in the underwriting application provided to the Fund as a condition precedent to participation in the Fund is true, correct and accurate in all respects.

\_\_\_\_\_  
(Name of Local Governmental Entity)

\_\_\_\_\_  
Witness Signature

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Witness Signature

Title: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

#### For Internal Use Only

IS HEREBY APPROVED FOR MEMBERSHIP IN THIS FUND, AND COVERAGE IS EFFECTIVE THE \_\_\_\_ DAY OF \_\_\_\_\_, 20 \_\_\_\_\_. SIGNED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20 \_\_\_\_.

By: \_\_\_\_\_  
Administrator/Trustee

# **AMENDED INTERLOCAL AGREEMENT CREATING THE PREFERRED GOVERNMENTAL INSURANCE TRUST**

This Amended Interlocal Agreement, restating and modifying the Preferred Governmental Insurance Trust, is made and entered into effective October 1, 2004, by and among the Local Governmental Entities who have executed Participation Agreements (Application for Membership in the Preferred Governmental Insurance Trust) to become effective October 1, 2004, such Local Governmental Entities representing one hundred percent (100%) of the Governmental Entities participating in the Preferred Governmental Insurance Trust, together with such other Local Governmental Entities who hereafter become members of the Fund, for the purposes and subject to the conditions and restrictions, as hereinafter set forth.

## **WITNESSETH:**

**WHEREAS**, Article VIII, Section 2, Florida Constitution, provides municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes except as otherwise provided by law; and

**WHEREAS**, Section 125.01, Florida Statutes, provides that counties shall have the power to carry on county government and to exercise all powers and privileges not specifically prohibited by law; and

**WHEREAS**, Section 166.021, Florida Statutes, provides in part that "...municipalities shall have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law."; and

**WHEREAS**, Section 163.01, Florida Statutes, commonly known as the "Florida Interlocal Cooperation Act of 1969", provides that Local Governmental Entities may enter

into interlocal agreements in order to make the most efficient use of their powers by enabling them to cooperate with other Local Governmental Entities on a basis of mutual advantage, thereby providing services and facilities in a manner, and pursuant to forms of governmental organization, that will best accord with geographic, economic, population, and other factors influencing the needs and development of Local Communities; and

**WHEREAS**, Section 624.4622, Florida Statutes, provides that any two or more Local Governmental Entities may enter into an interlocal agreement for the purpose of securing the payment of benefits under Chapter 440, Florida Statutes, provided such local governmental self- insurance fund created thereby has an annual normal premium in excess of five million dollars (\$5,000,000.00), maintains a continuing program of excess insurance coverage, submits annual audited year-end financial statements, and has a governing body which is comprised entirely of local elected officials; and

**WHEREAS**, Section 768.28, Florida Statutes, provides that the state and its agencies and subdivisions are authorized to be self-insured, to enter into risk management programs, or to purchase liability insurance for whatever coverage they may choose, or to have any combination thereof, in anticipation of any claim, judgment, and claims bill which they may be liable to pay pursuant to such section; and

**WHEREAS**, Section 111.072, Florida Statutes, authorizes any county, municipality, or political subdivision to be self-insured, to enter into risk management programs, or to purchase liability insurance for whatever coverage it may choose, or to have any combination thereof in anticipation of any judgment or settlement which its officers, employees, or agents may be liable to pay pursuant to a civil or civil rights lawsuit described in s. 111.07, Florida Statutes; and

**WHEREAS**, Section 624.462, Florida Statutes, provides that a governmental self-insurance pool created pursuant to Section 768.28(16), Florida Statutes, shall not be considered a commercial self-insurance fund; and

**WHEREAS**, each of the participating Local Governmental Entities which are party to this Agreement, and all subsequent Local Governmental Entities which become party to this

Agreement, are public agencies as defined in Section 163.01, Florida Statutes, and are authorized to enter into this Interlocal Agreement by executing a Participation Agreement; and

**WHEREAS**, each of the Local Governmental Entities which are a party to this Agreement have the powers and authorities to establish, operate and maintain their own individual self-insured programs for the purpose of securing payment of benefits under Chapter 440, Florida Statutes; and

**WHEREAS**, each of the Local Governmental Entities which are a party to this Agreement have the powers and authorities to establish, operate and maintain their own individual self-insured programs for the purpose of securing payment of benefits under risk management programs or liability insurance programs; and

**WHEREAS**, it is in the public interest, and in the best interest of the parties hereto, that they join together to establish a consolidated and comprehensive Fund for the payment of benefits under the Florida Workers' Compensation Law, payment of claims, judgments and claims bills which they may become liable to pay, payment of certain civil rights liabilities, payment of casualty and property losses, and the purchase of appropriate policies of insurance, excess insurance and reinsurance to provide protection against such claims and liabilities; and

**WHEREAS**, the governing authority of each of the Local Governmental Entities which are a party to this Agreement have duly authorized the execution and delivery of a Participation Agreement obligating such Governmental Entity to full performance of this Agreement; and

**WHEREAS**, it is the intent of this Agreement to allow participation by additional Local Governmental Entities in the self-insurance fund created hereby, pursuant to the terms and conditions of this Interlocal Agreement;

**NOW, THEREFORE**, by virtue of the execution and delivery of a Participation Agreement, the parties hereto do hereby covenant and agree as follows

**SECTION I**  
**INCORPORATION OF RECITALS**

The foregoing WHEREAS clauses are incorporated in, and made a part of, this Amended Interlocal Agreement.

**SECTION II**  
**DEFINITIONS**

The following definitions shall apply to the provisions of this Amended Interlocal Agreement:

- 2.1 ADMINISTRATOR.** An individual, partnership or corporation engaged by the Fund to carry out the policies of the Fund and provide the day-to-day executive management and oversight of the Fund's operations, including, but not limited to, administration, marketing, underwriting, quoting, issuance, maintenance and auditing of coverage terms, coordinating other third party service providers retained by the Fund and ensuring that the policies and decisions of the Board of Trustees are implemented.
- 2.2 CLAIMS MANAGEMENT.** "Claims Management" shall mean the process of identifying, receiving, handling, adjusting, reserving, resolving and planning for the funding of eligible claims made by or against any Member of the Trust and any other necessary risk management operations.
- 2.3 CONTRIBUTION(S).** "Contribution(s)" shall mean any premium charge or other consideration imposed or collected by, or on behalf of the Trust, from its Members based on criteria adopted from time to time by the Board of Trustees. Contributions may be determined and set with respect to all Members, any individual Member or otherwise. The terms "Contribution(s)", "Premium(s)" and "Premium Contribution(s)" are used interchangeably and synonymously throughout this Agreement.
- 2.4 COVERAGE TERMS.** "Coverage Terms" or "Coverage Agreements" shall mean the terms and conditions of certificates of insurance, policies of insurance, endorsements to policies of insurance, excess insurance policies and reinsurance policies which are provided to Fund Members from time to time

which comprehensively set forth the insurance coverages provided to the Fund Members, as may be modified or altered from time to time with respect to all Members, any individual Member, or otherwise, within the applicable notice and procedural requirements of law, or in any other rules and regulations adopted by the Board of Trustees.

- 2.5 FUND.** "Fund" shall mean the group self-insurer's fund or trust fund which is hereby created for the purposes set forth herein, known as the Preferred Governmental Insurance Trust. The terms "Fund", "Trust" and "Trust Fund" are used interchangeably and synonymously throughout this Agreement.
- 2.6 LOCAL GOVERNMENTAL ENTITY OR ENTITIES.** "Local Governmental Entity or Entities" shall mean any "public agency" as defined by Section 163.01(3)(b), Florida Statutes.
- 2.7 MEMBER.** "Member" shall mean a Local Governmental Entity which has duly executed a Participation Agreement and otherwise has complied with all provisions of this Agreement, and which thereafter is entitled to all the rights and benefits conferred by, and subject to all conditions and obligations imposed by, this Agreement, the Coverage Terms, or any rules and regulations which may be adopted by the Board of Trustees.
- 2.8 NON-COMPLIANCE.** "Non-Compliance" shall mean the failure to comply with the terms of this Agreement, the Coverage Terms, or any rules and regulations which may be adopted by the Board of Trustees, but only to the extent that such Non-Compliance is deemed material by, and within the sole discretion of, the Board of Trustees.
- 2.9 PARTICIPATION AGREEMENT.** "Participation Agreement" shall mean the application for membership in the Preferred Governmental Insurance Trust pursuant to which an applying member agrees to be bound by the provisions of the Florida Workers' Compensation Act, this Amended Interlocal Agreement, the rules and regulations adopted by the Board of Trustees of the Fund, and when accepted by the Board of Trustees or their duly authorized representative, becomes a part of the Interlocal Agreement between the applying member and the Fund.
- 2.10 PREMIUM(S).** "Premium(s)" shall mean "Contribution(s)".

- 2.11 **PREMIUM CONTRIBUTION(S).** "Premium Contribution(s)" shall mean Contribution(s).
- 2.12 **THIRD-PARTY CLAIMS MANAGER.** "Third-Party Claims Manager" shall mean an individual or organization providing claims management services to the Fund.
- 2.13 **TRUST.** "Trust" shall mean the "Fund".
- 2.14 **TRUSTEES.** "Trustees" or "Board of Trustees" shall mean the collegial body charged with the operation and administration of the Fund pursuant to the provisions of this Agreement.
- 2.15 **TRUST FUND.** "Trust Fund" shall mean the "Fund".

**SECTION III**  
**ESTABLISHMENT OF "PREFERRED**  
**GOVERNMENTAL INSURANCE TRUST"**  
**AS A SELF-INSURED FUND**

- 3.1 **ESTABLISHMENT.** The Preferred Governmental Insurance Trust is hereby established and created pursuant to the provisions of Article VIII, Section 2, of the Florida Constitution, Sections 125.01, 163.01, 624.4622, 768.28(15)(a) and 111.072, Florida Statutes, for the purposes, and with the powers, duties and obligations, as herein set forth.
- 3.2 **LOCATION.** The location of the principal office of the Trust shall be determined from time to time by the Board of Trustees.
- 3.3 **PURPOSES.** This Amended Interlocal Agreement is made and executed, and the Fund created hereby is established for the purposes of:
- (a) Pooling Member's resources to fulfill Members' legal liabilities and obligations, including, but not limited to, providing for the payment of benefits under the Florida Workers' Compensation Law;
  - (b) To minimize the cost of providing workers' compensation coverage by developing and refining specialized claim services, by developing and refining, internally or through third party service providers, a managed care system, together with the development and refining of loss prevention programs for the Members;

- (c) To pay or provide for general liability and casualty coverage to participating Members, including, but not limited to, public officials errors and omissions, employment practices liability and law enforcement liability claims;
- (d) To pay or provide for property coverage to participating Members;
- (e) To pay for or provide to its participating Members coverage in anticipation of any judgment or settlement resulting from a civil rights action arising under federal law;
- (f) To pay for or provide to participating Members coverage in anticipation of any claims bill passed by the Legislature;
- (g) To pay for or provide to participating Members coverage for any other risk authorized under Florida law to be self-insured;
- (h) To pay for or provide to participating Members all or a part of such coverages.

This Agreement is not intended to create a partnership or other legal entity whereby one Member assumes the obligations of another Member, or the obligations of the Fund in general.

**3.4 NON-ASSESSABILITY.** Should a deficit develop in the Trust, after excess reinsurance recoveries, whereby claims or other expenses cannot be paid, each individual Member shall assume liability for the costs of claims brought against that Member as if such Member were individually self-insured. Each individual Member shall thereafter be responsible for its individual costs including, but not limited to, claims administration without an obligation to, or a right of contribution from, other Members.

**3.5 POWERS.** The Trust shall have all the rights, powers, duties and privileges as set forth in Article VIII, Section 2 of the Florida Constitution, and Sections 163.01, et seq., 624.4622, 768.28(15)(a) and 111.072, Florida Statutes, and any other applicable Florida Statutes, which are necessary to accomplish the purposes described in Section 3.3, including but not limited to the following:

- (a) Securing the payment of benefits under Chapter 440, Florida Statutes.
- (b) Collecting premiums from Members for the purpose of paying for or providing casualty, property, and liability coverage, and securing the payment of claims associated therewith.

- (c) Paying for or providing coverage for any other risk authorized under Florida law to be self-insured.
- (d) Paying for or providing all or a part of such coverages.
- (e) To make, enter into, and arrange for insurance, reinsurance, excess insurance, catastrophic insurance, stop-loss insurance, or any other coverage as the Fund shall deem necessary and appropriate, without such purchase being deemed a waiver of sovereign immunity.
- (f) To pay, or approve the payment of, any expenses and fees associated with the operation of the Fund.
- (g) To indemnify and hold harmless any Trustee, officer of the Fund, or any person acting on behalf of the Fund, to the fullest extent such indemnification is permitted by law, against (1) reasonable expenses actually and necessarily incurred in connection with any threatened, pending or completed action, suit or proceeding, whether civil, administrative or civil investigative, including any action, suit or proceeding by or on behalf of the Fund, seeking to hold said person liable by reason of the fact that he or she was acting in such capacity, and (2) reasonable payments made by him or her in satisfaction of any judgment, monetary decree or settlement for which he or she may have become liable in any such action, suit or proceeding by reason of the fact that he or she was acting in such capacity. This indemnification is not intended to, and does not, waive any immunities provided to Members of the Fund, Trustees serving in their capacity as Trustees to the Fund, or to officers or employees of the Fund, by virtue of the laws of the state of Florida, but is merely in addition to such rights, privileges and immunities. (Ref. 624.489 and 768.28, FS).

#### **SECTION IV**

##### **ADMINISTRATION OF FUND**

- 4.1 MEETINGS.** The Board of Trustees shall meet at such time and in such location as may be acceptable to a majority of the Board of Trustees. The Chairman of the Board of Trustees or his designee shall set the date, time and location of each meeting, and notice thereof shall be furnished to each

Trustee by the Chairman or his designee not less than ten (10) days prior to the date of such meeting. Such notice shall specify the date, time and location of such meeting and may specify the purpose thereof, and any action proposed to be taken there at. Such notice shall be directed to each Trustee by mail to the address of such Trustee as is recorded in the office or offices of the Fund. In no event shall the Board of Trustees meet less than quarterly.

The Chairman of the Board or any three (3) Trustees may call a special meeting and direct the Administrator to send the prerequisite notice for any special meeting of the Board of Trustees. Special meetings of the Board of Trustees may be held at any time and place without notice, or with less than the prerequisite notice, provided all Trustees execute a waiver of notice and consent to said meeting.

For purposes of a duly called meeting of the Board of Trustees, a quorum shall exist if a majority of the members of the Board of Trustees are present.

The Administrator shall keep minutes of all meetings, proceedings and acts of the Board of Trustees, but such minutes need not be verbatim. Copies of all minutes of the Board of Trustees shall be sent by the Administrator to all Trustees.

**4.2 VOTING.** All actions by, and decisions of, the Board of Trustees shall be by vote of a majority of the Trustees attending a duly called meeting of the Board of Trustees at which a quorum is present; however, in the event of a duly called special meeting, all actions by, and decisions of, the Board of Trustees may be by vote of a majority of the Trustees present and attending such special meeting if a proper waiver of notice and consent was obtained as provided herein.

**4.3 OFFICE OF THE FUND.** The Board of Trustees shall establish, maintain and provide adequate funding for an office or offices for the administration of the Fund. The address of such office or offices shall be made known to the units of local governments eligible to participate in, or participating in, the Fund. The books and records pertaining to the Fund and its administration shall be kept and maintained at the office or offices of the Fund.

**4.4 EXECUTION OF DOCUMENTS.** A certificate, document, or other instrument signed by the Chairman or the Administrator of the Fund shall be evidence of the

action of the Board of Trustees and any such certificate, document, or other instrument so signed shall conclusively be presumed to be authentic. Likewise, all acts and matters stated therein shall conclusively be presumed to be true.

- 4.5 **APPOINTMENT OF ADMINISTRATOR.** The trustees shall designate and provide compensation for an Administrator to administer the affairs of the Fund. Any Administrator so designated shall furnish the board of Trustees with a fidelity bond with the Trustees as named obligee. The amount of such bond shall be determined by the Trustees and the evidence thereof shall be available to all units of government eligible to participate, or participating in, the Fund.
- 4.6 **COMPENSATION AND REIMBURSEMENT OF TRUSTEES.** The Board of Trustees may from time to time establish a reasonable amount of compensation to cover attendance at a duly called meeting by the Board of Trustees, or to cover the performance of the normal duties of a Trustee. Such compensation shall include reimbursement for reasonable and necessary expenses incurred therewith.

## **SECTION V**

### **NUMBER, QUALIFICATION, TERM OF OFFICE**

### **AND POWER AND DUTIES OF TRUSTEES**

- 5.1 **NUMBER AND QUALIFICATION OF TRUSTEES.** The operation and administration of the Trust shall be the joint responsibility of a Board of Trustees consisting of seven (7) Trustees. No Trustee may be elected who is, or continue to serve as a Trustee after becoming, an owner, officer, or employee of a service provider to the Fund. Each Trustee shall be an elected official of a Member. No two (2) Trustees may be elected officials from the same Member. Each Trustee shall serve for a period of four (4) years, or the balance of such Trustee's term of office as an elected official of the Member, whichever shall first occur. A Trustee may serve successive four (4) year terms provided such Trustee continues to remain an elected official of a Member. Each and every Trustee named, and each successor Trustee, shall acknowledge and

consent to their election as a Trustee by giving written notice of acceptance of such appointment to the chairman, or acting chairman of the Board of Trustees.

- 5.2 RESIGNATION AND REMOVAL OF A TRUSTEE.** A Trustee may resign and become and remain fully discharged from all further duties or responsibilities hereunder, by giving at least sixty (60) days prior written notice sent by certified mail, overnight delivery or other appropriate method of delivery to the chairman or acting chairman of the Board of Trustees. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on the date designated unless a successor Trustee has been elected at an earlier date as herein provided, in which event resignation shall take effect immediately upon the election of such successor Trustee. Additionally, oral notice of resignation may be given at any duly convened meeting of the Trustees, which said oral notice of resignation shall be incorporated, and made a part of, the minutes of such duly convened meeting. A Trustee may be removed by a majority vote of the Board of Trustees or by a majority vote of the Members. Any Trustee, upon leaving office, shall forthwith turn over and deliver to the chairman or the secretary of the Trustees at the principal office of the Trust any and all records, books, documents or other property in such Trustees possession, or under such Trustees control, which belongs to the Trust.
- 5.3 ELECTION OF SUCCESSOR TRUSTEES.** Successor Trustees shall be elected by a majority vote of the Board of Trustees. Nominations for the election of Trustees may be made by the Board of Trustees or by any Member of the Fund.
- 5.4 TRUSTEE TITLE.** In the event of death, resignation, refusal or inability to act by any one or more of the Trustees, the remaining Trustees shall have all the powers, rights, estates and interests of this Trust and shall be charged with its duties and responsibilities; provided, however, that in such case(s), no action may be taken unless it is concurred in by a majority of the remaining Trustees.
- 5.5 TRUSTEE OFFICERS.** The Trustees shall elect from among themselves a chairman, vice-chairman and secretary of the Board of Trustees. Such

officers shall be elected annually at the end of the fiscal year of the Trust, and may succeed themselves.

**5.6 POWER AND AUTHORITY.** The Board of Trustees shall be charged with the duty of the general supervision and operation of the Fund, and shall conduct the business activities of the Fund in accordance with this Agreement, its by-laws, rules and regulations and applicable federal and state statutes and rules and regulations. In connection therewith, the Board of Trustees may exercise the following authority and powers:

- (a) To collect premiums from participating Members in an amount individually agreed to by the Fund and said Members for the purpose of paying for or providing the coverages provided in this Agreement to participating Members.
- (b) To pay for or provide such excess insurance or reinsurance coverage as is necessary to accomplish the purpose of the Fund.
- (c) To borrow funds, issue bonds and other certificates of indebtedness, and arrange for lines or letters of credit to assist in providing the coverages provided in this Agreement to participating Members.
- (d) To pay for or provide appropriate liability and other types of insurance to cover the acts of the Board of Trustees of the Fund.
- (e) To contract with appropriate professional service providers to meet the purposes of the Fund, and to expend funds for the reasonable operating and administrative expenses of the Fund, including but not limited to, all reasonable and necessary expenses which may be incurred in connection with the establishment of the Fund, in connection with the employment of such administrative, legal, accounting, and other expert or clerical assistance to the Fund, and in connection with the leasing and purchase of such premise, material, supplies and equipment as the Board, in its discretion, may deem necessary for or appropriate to the performance of its duties, or the duties of the Administrator or the other agents or employees of the Fund.
- (f) To pay claims the Fund becomes legally obliged to pay pursuant to the Coverage Agreements entered into by and between the Fund and participating Members.

- (g) To establish and accumulate as part of the Fund adequate reserves to carry out the purposes of the Fund.
- (h) To pay premiums on, and to otherwise secure or provide, insurance products that are ancillary to the coverages authorized by this Agreement.
- (i) To invest and reinvest funds that may come into the possession of the Fund.
- (j) To assume the assets and liabilities of the Fund.
- (k) To take such actions and expend such funds as are reasonably necessary to facilitate the cessation of the business of the Fund.
- (l) To exercise such powers that are authorized to be exercised by trustees under and pursuant to the laws of Florida.
- (m) To take such other action and expend such funds as are reasonably necessary to accomplish the purposes of the Fund.

**5.7 APPROVAL OF MEMBERS.** The Board of Trustees, after the inception of the Fund, shall receive applications for membership from prospective new participants in the Fund and shall approve applications for membership in accordance with the terms of this Agreement, any Participation Agreement, applicable federal and state statutes and rules and regulations, and the rules and regulations established by the Board of Trustees for the admission of new members into the Fund; provided, however, no prospective member may participate in the Fund unless such prospective member is a public agency of the state. As used herein, the phrase "public agency" includes, but is not limited to, the state, its agencies, counties, municipalities, special districts, school districts, and other governmental entities; the independent establishments and constitutional officers of the state, counties, municipalities, school districts, special districts, and other governmental entities; and corporations primarily acting as instrumentalities or agencies of the state, counties, municipalities, special districts, school districts, and other governmental entities. The Board of Trustees shall be the sole judge of whether or not an applicant for membership shall be eligible to participate in the Fund; provided, however, the Board of Trustees may delegate the functions associated with approval of Members to the Administrator.

- 5.8 REPORTING.** The Board of Trustees shall be responsible for and shall cause to be prepared and filed such annual or other periodic audits, reports and disclosures as may be required from time to time pursuant to applicable federal and state statutes and rules and regulations, including, but not limited to, periodic payroll audits, periodic summary loss reports, periodic statements of financial condition, certified audits, appropriate applications filed by prospective new members, reports as to financial standings, payroll records, reports relating to coverage, experience, loss and compensation payments, summary loss data statements, periodic status reports, and any other such reports as may be required from time to time to accomplish the purpose of the Fund or to satisfy the requirements of appropriate governmental entities.
- 5.9 TRUSTEES' LIABILITY.** The Trustees and their agents and employees shall not be liable for any act of omission or commission taken pursuant to this Agreement unless such act constitutes a willful breach of fiduciary duties nor shall any Trustee be liable for any act of omission or commission by any other Trustee or by any employee or agent of the Fund. The Fund hereby agrees to save, hold harmless and indemnify the Trustees and their agents and employees for any loss, damage or expense incurred by said persons or entities while acting in their official capacity on behalf of the Fund, unless such action constitutes a willful breach of fiduciary duties.
- 5.10 RELIANCE ON COUNSEL'S OPINION.** The Board of Trustees may employ and consult with legal counsel concerning any questions which may arise with reference to the duties and powers of the Board of Trustees or with reference to any other matter pertaining to this Agreement or the Fund created thereby; and the opinion of such counsel shall be full and complete authorization and protection from liability arising out of or in respect to any action taken or suffered by the Board of Trustees or an individual Trustee acting hereunder in good faith and in accordance with the opinion of such counsel.
- 5.11 BY-LAWS, RULES AND REGULATIONS.** The Board of Trustees may adopt and enforce such by-laws, rules and regulations as between the Members of the Fund and the Fund governing the operation of the Fund as are consistent with the terms of this Agreement and as are reasonably necessary to accomplish the purposes of the Fund.

**SECTION VI**  
**POWERS AND DUTIES OF THE ADMINISTRATOR**

- 6.1 RESPONSIBILITIES.** The Administrator shall have the power and authority to implement the directives of the Board of Trustees and the policy matters set forth by the Board of Trustees as they relate to the on-going operation and supervision of the Fund, the by-laws, rules and regulations established by the Board of Trustees, the provisions of this Agreement, and applicable federal and state statutes, rules and regulations. The powers, duties and responsibilities of the Administrator retained by the Board of Trustees shall be set forth in an Administrative Agreement executed between the Board of Trustees and the Administrator.
- 6.2 CONTRIBUTIONS.** The Administrator shall deposit into the account or accounts designated by the Board of Trustees, at the financial institution or institutions designated by the Board of Trustees, all contributions as and when collected from the Members and said monies shall be disbursed only in the manner provided by this Agreement, the Coverage Agreements, the rules, regulations and by-laws of the Board of Trustees, and the Agreement entered into by and between the Board of Trustees and the Administrator.

**SECTION VII**  
**MEMBERS**

- 7.1 MEMBERSHIP CANCELLATION, SUSPENSION OR EXPULSION.** The Board of Trustees shall be the sole judge of whether membership in the Fund may be cancelled, or whether a member may be suspended or expelled from the Fund; provided, however, the Board of Trustees may delegate the functions associated with cancellation, suspension or expulsion of a Member to the Administrator. Written notice of any such cancellation, suspension or expulsion shall be provided by the Fund to the member no less than thirty (30) days prior to the effective date of such cancellation, suspension or expulsion, and no liability under this Agreement or any other agreement,

certificate, document, or other instrument executed by the Fund and the member pursuant to this Agreement, shall accrue to the Fund following the effective date of such cancellation, suspensions or expulsion. The minimal notice provisions of this paragraph shall not apply in the event a member fails to make the requisite contributions for coverages under this Agreement when such contributions are due.

**7.2** **RESPONSIBILITIES OF MEMBERS.** By execution of a Participation Agreement agreeing to be bound by the terms and conditions of this Amended Interlocal Agreement, each Member agrees to abide by the following rules and regulations:

(a) The Trustees have the sole responsibility to govern and direct the affairs of the Fund pursuant to this Agreement.

(b) Any Member who formally applies for Membership in this Fund, and who is accepted by the Board of Trustees, shall thereupon become a party to this Amended Interlocal Agreement and shall be bound by all of the terms and conditions contained herein. The Participation Agreement shall constitute a counterpart of this Amended Interlocal Agreement, and this Amended Interlocal Agreement shall constitute a counterpart of the Participation Agreement.

(c) To maintain a reasonable loss prevention program in order to provide the maximum in safety and lawful practices as such may relate to the potential liability assumed by the Fund under this Agreement or any other agreement, certificate, document, or other instrument executed by the Fund and the Member pursuant to this Agreement.

(d) To comply with the conditions of the Florida Workers' Compensation Law.

(e) To provide immediate notification in the event an accident or incident occurs which is likely to give rise to a claim within the scope of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Fund and the Member pursuant to this Agreement.

(f) To promptly make all contributions for coverages arising under this Agreement, or any other agreement, certificate, document, or other

instrument executed by the Fund and the Member pursuant to this Agreement, at the time and in the manner directed by the Board of Trustees. Said contributions may be reduced by any discount, participation credit, or other contribution reduction program established by the Board of Trustees.

(g) In the event of the payment of any loss by the Fund on behalf of the Member, the Fund shall be subrogated to the extent of such payment to all the rights of the Member against any party or other entity legally responsible for damages resulting from said loss, and in such event, the Member hereby agrees, on behalf of itself, its officers, employees and agents, to execute and deliver such instruments and papers as is required, and do whatever else is reasonably necessary, to secure such right to the Fund, and to cooperate with and otherwise assist the Fund as may be necessary to effect any recovery sought by the Fund pursuant to such subrogated rights.

(h) The Board of Trustees, its Administrator, and any of their agents, servants, employees or attorneys, shall be permitted at all reasonable times and upon reasonable notice to inspect the property, work places, plants, works, machinery and appliance covered pursuant to this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, and shall be permitted at all reasonable times while the Member participates in the Fund, and up to and including two (2) years following the termination of its membership in the Fund, to examine the Members' books, vouchers, contracts, documents and records of any and every kind which show or tend to show or verify any loss that may be paid or may have been paid by the Fund on behalf of the Member pursuant to this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, or which show or verify the accuracy of any contribution which is paid or payable by the Member pursuant to the terms of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(i) The Fund is to defend in the name and on behalf of the Member any claims, suits or other legal proceedings which may at any time be instituted

against the Member on account of bodily injury liability, property damage, property damage liability, errors and omissions liability or any other such liability, monetary or otherwise, to the extent such defense and liability has been assumed by the Fund pursuant to his Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, subject to any and all of the definitions, terms, conditions and exclusion contained in said agreements, or any other agreement, certificate, document, or other instruments, although such claims, suits, allegations or demands are wholly groundless, false, fraudulent, and to pay all costs taxed against the Member in any such legal proceedings defended by the Fund or the Member, all interest, if any, legally accruing before and after entry of judgment in such proceedings, and all expense incurred in the investigation, negotiation or defense of such claims, suits, allegations or demands. Such defense shall be subject to the control of the Fund and its Administrator, which may make such investigations and settlement of any such claim, suit, or other legal proceeding, monetary or otherwise, as they deem expedient. The Member agrees to cooperate fully with the Fund, its administrator and their agents, with respect to the investigation, adjustment, litigation, settlement and defense of any claim, suit, or other legal proceeding, monetary or otherwise, which would be covered by the terms of this Agreement and/or any policies of insurance, excess insurance or re-insurance which have been purchased to provide protection against such claims and liabilities. The Member acknowledges that failure to cooperate fully in the investigation, defense or litigation of such claims, suits, or liabilities may constitute grounds for denial of coverage pursuant to this Agreement and/or the applicable policies of insurance.

(j) The liability of the Fund is specifically limited to the discharge of the liability of its Members assumed pursuant to this Agreement or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement; the coverage of the Fund does not apply to punitive or exemplary damages.

(k) Unless the Fund and the Member otherwise expressly agree in writing, coverage by the Fund for a Member under the terms of this Agreement, or

any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, shall expire automatically on the last day of September of each calendar year, and no liability under this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, shall accrue to the Fund beyond such expiration date unless such Member renews its coverage.

(l) Except as otherwise provided herein, a Member's coverage may be cancelled by the Fund or the Member at any time upon no less than thirty (30) days prior written notice by the Board of Trustees or Administrator to the Member, or by the Member to the Board of Trustees. The notice shall state the date such cancellation shall become effective.

(m) Excess monies remaining after the payment of claims and claims expenses, and after provision has been made for the payment of open claims and outstanding reserves, may be distributed by the Board of Trustees to the Members participating in the Fund in such manner as the Board of Trustees shall deem to be equitable.

(n) There will be no disbursements out of the reserve fund established by the Fund by way of dividends or distributions of accumulated reserves to Members until after provision has been made for all obligations against the Fund and except at the discretion of the Board of Trustees.

(o) Qualified service providers, including attorneys selected by the Fund, shall defend, investigate, settle and otherwise process and dispose of all claims, suits, allegations or demands that may result in liability assumed by the Fund on behalf of the Member pursuant to this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(p) The Member, through the Board of Trustees, does hereby appoint the Administrator as its agent and attorney-in-fact, to act on its behalf and to execute all necessary contracts, reports, waivers, agreements, excess insurance contracts, service contracts, and other documents reasonably necessary to accomplish the purposes and to fulfill the responsibilities of the Fund; to make or arrange for the payment of claims, claims expenses, and all

other matters required or necessary insofar as they affect the matters covered pursuant to the terms of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, and the rules and regulations now or hereafter promulgated by the Board of Trustees.

(q) To make prompt payment of all contributions and penalties as required by the Board of Trustees, said contributions or penalties to be determined by the Board of Trustees. Any disputes concerning contributions or penalties shall be resolved after the payment of said contributions or penalties.

(r) To pay reasonable penalties as determined by the Board of Trustees for late payment of contributions required under this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(s) Coverage by the Fund under the terms of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, shall expire and be cancelled, upon no less than ten (10) days prior written notice from the Fund to the Member, for nonpayment of contributions.

(t) To abide by all the terms and conditions of this Agreement, the Participation Agreement, the Fund's by-laws, the rules and regulations, the terms of any coverage document issued by the Fund to the Member, and any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(u) Each Member voluntarily transfers to the Trust any rights and privileges such Member enjoys under the laws of the State of Florida, including Sections 163.01, and 768.28, Florida Statutes, and specifically those statutory provisions pertaining to such Member's sovereign immunity and the applicable limitations of the Member's liability to \$100,000.00 per individual claim, and to \$200,000.00 for multiple claims, arising out of the same transaction. The purchase of insurance or indemnity hereunder shall not be deemed or be construed as a waiver of sovereign immunity by the Members.

## **SECTION VIII**

## **ACCOUNTING**

True and complete accounts shall be kept of all transactions and of all assets and liabilities of the Trust. The accounts of the Trust shall be audited annually by a firm of independent certified public accountants, which shall be selected by the Board of Trustees.

## **SECTION IX**

### **DURATION**

This Agreement shall continue in full force and effect until it is terminated by the mutual consent of all the Members; provided, however, that this Section IX shall not be construed to preclude the termination and winding up of the Trust within the discretion of the Board of Trustees, or the amendment of this Agreement pursuant to Section X.

## **SECTION X**

### **AMENDMENT**

This Agreement may be amended upon the written consent of the Members of the Fund. Execution of a Participation Agreement or renewal of coverages provided by the Fund shall constitute such written consent.

## **SECTION XI**

### **STATUTES, RULES AND REGULATIONS**

The Trust shall at all times act in accordance with the provisions of statutes, rules and regulations of the State of Florida.

## **SECTION XII**

### **MISCELLANEOUS PROVISIONS**

- 12.1 PROHIBITION AGAINST ASSIGNMENT.** No Member may assign any right, claim, or interest it may have under this Agreement, or any coverage term, and no creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, funds, or assets of the Trust except as specifically may be agreed to by the Trust.

- 12.2 APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the statutes, rules and regulations of the State of Florida, and all questions pertaining to its validity, construction, and administration shall be determined in accordance with the laws of the State of Florida.
- 12.3 ENFORCEMENT.** The Trust and its Members shall have the power to enforce this Agreement by action brought in any court of appropriate jurisdiction within the State of Florida.
- 12.4 SEVERABILITY.** If any term or provision of this Agreement, or the application of such term or provision to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be effected, and each term or provision of this Agreement shall be valid and enforceable to the full extent permitted by law.
- 12.5 CONSTRUCTION.** Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neutral gender in all situations where they would so apply. Whenever any words are used in this Agreement in the singular, they shall be construed as though they were also used in the plural form in all situations where they would so apply. Whenever any words are used in this Agreement in the plural form, they shall be construed as they thought were used in the singular form in all situations where they would so apply.
- 12.6 FISCAL YEAR.** The Fund shall operate on a fiscal year from 12:01 a.m., October 1, to midnight the last day of September of the succeeding year. Application for membership, when approved in writing by the Board of Trustees or its designee, shall constitute a continuing contract for each succeeding fiscal year unless cancelled by the Board of Trustees or the participating Member in the manner herein provided.

By execution of the attached Participation Agreement or renewal of coverages provided by the Fund, and upon acceptance by the Board of Trustees, or their designated agent, the Member agrees to be fully bound by the terms and conditions of the Amended Interlocal Agreement, effective October 1, 2004, and thereafter.

**AMENDMENT "A" TO THE  
AMENDED INTERLOCAL AGREEMENT  
CREATING  
THE PREFERRED GOVERNMENTAL INSURANCE TRUST**

**WHEREAS**, Section X of the Amended Interlocal Agreement Creating The Preferred Governmental Insurance Trust (alternatively "Preferred", "Fund" or "Trust") provides that the Interlocal Agreement may be amended by the members of Preferred, and that execution of either a Participation Agreement or an Agreement for Renewal of Coverage shall constitute written consent to such amendment; and

**WHEREAS** , in order to protect the integrity of Preferred, its continued success and provide security as to its operation and administration, it is essential that the provisions of the Interlocal Agreement, relating to who may serve as a Trustee of Preferred, be fully compliant with applicable Florida Statutes;

**NOW, THEREFORE** , by execution of a Participation Agreement or Agreement for Renewal of Coverage, the Members of Preferred do hereby amend subsection 5.1 of the Amended Interlocal Agreement to read as follows:

**5.1 NUMBER AND QUALIFICATION OF TRUSTEES.** The operation and administration of the Trust shall be the joint responsibility of a Board of Trustees consisting of seven (7) Trustees. No Trustee may be elected who is, or continue to serve as a Trustee after becoming, an owner, officer, or employee of a service provider to the Fund. Upon initial election to the Board of Trustees, a Trustee shall be a local elected official of a member of the Trust. No two (2) Trustees may be local elected officials from the same governmental entity. Each Trustee shall serve for a period of four (4) years, or the balance of such Trustee's term of office as a local elected official. Following a Trustees' initial term of office, such Trustee may continue to serve as a Trustee of Preferred provided: (1) such Trustee holds an office as an elected local official (as required by s. 624.4622(1) (d) Florida Statutes); and (2) a majority of the Board of Trustees, in their sole discretion, determine that it is in the best interest of the Trust that such Trustee continue to serve as a Trustee of Preferred, and so elects such Trustee to continue to serve a successive term, or terms. Each and every Trustee named, and each successor Trustee, shall acknowledge and consent to their election as a Trustee by giving written notice of acceptance of such election to the Chairman, or acting Chairman, of the Board of Trustees.

Effective Date: October 1, 2013



July 25, 2019

***City of St. Augustine Beach, Florida***

2200 A1A South  
St. Augustine Beach, Florida 32080

City Manager (904) 471-2122  
Fax (904) 471- 4108

**ADDENDUM NO. 1**

**To: Prospective Respondents**  
**From: City of St. Augustine Beach**  
**Subject: RFP No. 19-05**  
**Insurance and Risk Management**

This Addendum #1 is issued for further bidder's information and is hereby incorporated into the bid documents. Each bidder will ascertain before submitting a proposal that he/she has received all Addenda. **Please return an original copy of this signed Addenda with proposal.**

**CLARIFICATION:**

1. Exhibits 1, 2, 4, 5, 6 have been attached.  
**Accidental Death & Dismemberment Worksheet, Exhibit 3, is not part of the current insurance, but needs to be. Exhibit 3 is not available.**
2. 2017-2018 Policies for Auto Liability. **Exhibit 7**
3. Property & Casualty /General Liability Insurance 2017- 2018 policies. **Exhibit 8**
4. The current 2018 - 2019 Workers' Compensation Insurance policies. **Exhibit 9**
5. The City's Workers' Compensation policies? **See attached City's Personnel Manual on page 37, Exhibit 10**
6. Please provide the 2019-2020 workers' compensation experience model for quoting. **Exhibit 11, Payroll Entries per Class Code - Exhibit 12. FMIT Payroll Renewal Worksheet 2019-2020- Exhibit 13.**

7. City requests a current audited financial statement. **Please provide this statement in your proposal.**

**8. Updated Information for RFP:**

- a. Total Building & Contents is \$4.4 million in property value, not \$74 million
- b. Liability Coverage currently is \$1.5 million
- c. Disregard crime coverage - not currently insured
- d. Auto liability currently is \$500,000, not \$1 million
- e. Auto Physical Damage currently is \$50 / \$100, not \$500.
- f. Property Deductible is \$500 currently, not \$25,000
- g. Current payroll is \$2,752,948 with a new modification at 1.08, not \$2,701,116 at 1.00.
- h. Current insurance has no deductible.
- i. The City does not have any vessels or marinas, so delete quote listed in RFP.
- j. Delete Excess Coverage for Law Enforcement Liability and Public Officials Liability of \$2 - \$5 million. Coverage is \$1.5 million in current policy, which is sufficient.
- k. Delete Marina Liability. The City has no boats or marinas.
- l. Quote Police employees for AD&D insurance per Florida Statutes. The following are the number of Police employees: Full-time including Chief of Police: 20, Part-time Officers: 0, Reserved non-paid: 1, PSA non-paid: 1, Volunteers: 8, Contracted Accreditation Manager: 1, and Administrative / Clerks: 3.

*Addendum No. 1 RFP 19-05*

**THE BID DUE DATE REMAINS Friday, August 23, 2019 AT 4:00 P.M.**

**Acknowledgment**

Sincerely,



8/23/2019

Signature and Date

**Matthew Montgomery, Executive Vice President**

Printed Name/Title

**Risk Management Associates, Inc. dba Public Risk Insurance Advisors**

Company Name (Print)

**End of Addendum No. 1**

### **UNUSUAL FEATURES**

Proposers shall attach to their proposal's descriptions of any unusual or specific features which will be provided in their program.

### **EXCEPTIONS OR ALTERNATIVES TO SPECIFICATIONS**

Any and all deviations from the specifications must be individually identified as an alternative proposal or specific deviations from the specifications. If no exceptions are stated, it will be understood that all general and specific conditions will be complied with, without exception.

### **COORDINATION WITH UMBRELLA OR EXCESS LIABILITY POLICY**

If an umbrella or another excess liability policy is also proposed, there should be no gaps or overlaps of coverage, especially with regard to the actual coverage, defense, notice of accidents/occurrence/circumstances, notice of claims and extended reporting period (if applicable). If there are any, please explain.

**Additional Limits are available with no coverage gaps.**

### **SYSTEM FOR AID TO CITY PRE-AND- POST EMERGENCY EVENT**

Describe what procedures and policies the company has to prepare for emergency events (i.e. hurricanes, fires, tornadoes, etc.) and what the company response time and procedures are after the emergency events.

### **DRUG-FREE WORKPLACE PROGRAM**

Does the company have a workers' compensation credit if the City has a drug-free workplace program and if so, how much would be the credit per year?

  X   YES                             NO                        5%   Credit Amount

### **YEARLY RETURN ON PREMIUM POLICY**

Does the company give a refund if the member saves the company money throughout the year and what percentage would be given back to the City if premium payouts are lower than expected?

       YES                        X   NO                             PERCENTAGE

### **ANNUAL AGGREGATES**

Is the policy offer an annual aggregate, meaning if the coverage is for \$1 million, will the company provide up to \$1 million for each claim or \$1 million total in a given year?

  X   \$1 million each claim                             \$1 million total

**FORMS**

**PROPOSAL SUMMARY FORMS**

**RESPONDENT:**

The undersigned, as Respondent, hereby declares and certifies that the only person(s) or entities interested in this Proposal as principal(s), or as persons or entities who are not principal(s) of the Respondent but are substantially involved in performance of the Work, is or are named herein, and that no person other than herein mentioned has any interest in this Proposal or in the Agreement to be entered into; that this Proposal is made without connection with any other person, company, or parties submitting a Proposal; and that this Proposal is in all respects fair and in good faith without collusion or fraud.


Respondent represents to the City that, except as may be disclosed in an addendum hereto, no officer, employee or agent of the City has any interest, either directly or indirectly, in the business of Respondent to be conducted under the Agreement, and that no such person shall have any such interest at any time during the term of the Agreement, should it be awarded to Respondent.

Respondent further declares that it has informed itself fully in regard to all conditions pertaining to this solicitation; it has examined the specifications for the Work and any other Agreement documents relative thereto; it has read all of the addenda furnished prior to the Proposal opening, as acknowledged below; and has otherwise satisfied itself that it is fully informed relative to the Work to be performed.

Respondent agrees that if its Proposal is accepted, Respondent shall contract with the City and shall furnish everything necessary to complete the Work in accordance with the time for completion specified in the Agreement and shall furnish the required evidence of the specified insurance.

**Acknowledgment is hereby made of the following addenda (identified by number) received:**

Addendum No.	Date	Addendum No.	Date
<u>1</u>	<u>7/25/2019</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Risk Management Associates, Inc. dba**  
Firm name: **Public Risk Insurance Advisors**  
signature:  \_\_\_\_\_  
Date: 8/23/2019

AGENT/INSURER QUALIFICATIONS

**NOTE: The Proposer is not to leave any items/values blank. If any items/values are left blank they will be deemed included. If an item is not applicable, please state "N/A."**

**AGENT**

Name: Risk Management Associates, Inc. dba Public Risk Insurance Advisors (PRIA)

Location of Office: 220 S. Ridgewood Avenue, Suite 210, Daytona Beach, FL 32114

Number of Offices in Florida: Brown & Brown - 50+; PRIA - 1

Number of Employees in Florida: Brown & Brown - 2,500+; PRIA - 23

Number of Public Entities Handled: 250+

List six (6) client or other Public Entity references, including names, addresses and telephone numbers per "Submission Requirements" (J.), Page 5:

**Reference No. 1:**

Company Name: City of Dania Beach

Current contact person at company: Paula Morrell

Telephone: (954) 924-6822 Fax: (954) 924-6814 E-mail: pmorrell@daniabeachfl.gov  
Ext. 3608

Company Address: 100 W. Dania Beach Blvd, Dania Beach, FL 33004

**Reference No. 2:**

Company Name: City of Marathon

Current contact person at company: Elizabeth Schut

Telephone: (305) 289-5022 Fax: \_\_\_\_\_ E-mail: schute@ci.marathon.fl.us

Company Address: 9805 Overseas Highway, Marathon, FL 33050

**Reference No. 3:**

Company Name: Clay County BOCC

Current contact person at company: Debbie Sileo

Telephone: (904) 541-5805 Fax: \_\_\_\_\_ E-mail: debbie.sileo@claycountygov.com

Company Address: 477 Houston Street, Green Cove Springs, FL 32043

**Reference No. 4:**

Company Name: Jacksonville Beach CRA

Current contact person at company: Ann Meuse

Telephone: (904) 247-6264 Fax: \_\_\_\_\_ E-mail: ameuse@jaxbchfl.net

Company Address: 11 N. Third Street, Jacksonville Beach, FL 32250

**Reference No. 5:**

Company Name: City of Treasure Island

Current contact person at company: Tiffany Makras

Telephone: (727) 547-4575 Fax: (727) 547-4582 E-mail: tmakras@mytreasureisland.org  
Ext. 235

Company Address: 120 108th Avenue, Treasure Island, FL 33706

**Reference No. 6:**

Company Name: City of Polk City

Current contact person at company: Patricia Jackson

Telephone: (863) 984-1375 Fax: (863) 984-2334 E-mail: patricia.jackson@mypolkcity.org  
Ext. 257

Company Address: 123 Broadway Blvd SE, Polk City, FL 33868

**INSURER (Provide information for each insurer)**

Best rating or attach financial information: Attached - All Excess of Preferred Governmental Ins. Trust

Number of Public Entities Insured: 400+

Location of nearest claim office handling our account: 615 Crescent Executive Court  
Lake Mary, FL 32795

Attach description of loss control/ prevention program.

**SERVICE COMPANY (If applicable)**

Name: Public Risk Underwriters

1. Number of Public Entities serviced:

Property: 400+ Total Membership for all coverages

Third Party Liability: Included

Workers' Compensation: Included

Location of nearest claim office handling our account: 615 Crescent Executive Court  
Lake Mary, FL 32795

Attach description of loss control program. Attached

SERVICE	YES/NO
Employee Practices Hot Line	Yes

Employment Law Seminar	Yes
Sexual Harassment Seminars	Yes
Sample Personnel Policy and Procedures	Yes
Contract Evaluations	Yes
Risk Management Seminars and onsite Training & Seminars	Yes
If yes, how often?	TBD
Police Liability/Critical Incident Hot Line	No
On Site Risk Analysis, Including Third Party Liability	Yes
Safety Program Development, Including Third Party Liability	Yes
Regulatory Assistance	Yes
Indoor Air Quality Analysis	No
Industrial Hygiene Analysis	No
Monthly Loss runs by Type of Loss and Department	Yes
Appraisals	Yes

PLEASE INDICATE IF THE FOLLOWING SERVICES ARE PROVIDED

#### Coverage Summary Comparison

Proposer Public Risk Insurance Advisors  
Preferred Governmental Insurance Trust  
Total Premium Package - \$99,424; Workers' Compensation - \$56,369

#### Property Coverage

Description	Amount/Comments
Blanket Property	\$4,365,582
Excess Coverage Amount	N/A
Deductible	\$1,000
Named Storm	3% subject to \$10,000 minimum
Storm surge covered under named storm or flood?	Named Storm
Excess flood	\$5,000,000
Equipment Breakdown	\$4,362,582
Extra Expense	\$1,000,000
Expediting Expense	\$5,000
Boiler & Machinery	\$4,365,582
Accounts Receivable	\$500,000
Property Coverage Continue	

Description	Amount/Comments
Antiques & Objects of Art (per item/ annual maximum)	Included in Unscheduled Blanket Inland Marine, subject to a maximum of \$25,000 per item.
Buildings Under Construction	Available Upon Request
Debris Removal	\$250,000 or 25% of loss, whichever is greater, per occurrence
Demolition, Ordinance, and ICC	\$500,000
Electronic Data Processing Equipment (software)	Included
Errors and Omissions	\$250,000
Fungus Cleanup	\$50,000
Leasehold Interest	Available Upon Request
Loss of Income	\$500,000
New Location Personal Property	\$50,000
New Locations	\$2,000,000
Off Premises Power Failure	Included
Personal Property - Mechanics	\$50,000
Personal Property Off Premises	Included
Pollution Cleanup	\$50,000
Preservation of Property	\$250,000
Service Interruption	\$100,000
Transit	\$250,000
TRIA (including Inland Marine)	\$5,000,000
Valuable Papers & Records	Included in Unscheduled Blanket Inland Marine, subject to a maximum of \$25,000 per item.

#### General Liability

Per Occurrence	\$2,000,000
Annual Aggregate	None
Employee Benefits Liability	\$2,000,000
Herbicide & Pesticide	\$1,000,000

Law Enforcement - per occurrence	<b>\$2,000,000 per Person / \$2,000,000 per Occurrence</b>
Law Enforcement - Annual Limit	<b>None</b>
Public Officials Liability - per occurrence	<b>\$2,000,000</b>
Public Officials Liability - Annual Limit	<b>\$2,000,000</b>
Employment Practices Liability - per occurrence	<b>\$2,000,000</b>
Employment Practices Liability - Annual Limit	<b>\$2,000,000</b>
Cyber Liability - per claim	<b>\$2,000,000</b>
Cyber Liability - annual limit	<b>\$2,000,000</b>
Sewer Backup & Water Damage Limit	<b>\$10,000 No-Fault/\$200,000 At-Fault Annual Aggregate</b>
Extra Contractual Legal Expense	<b>Included</b>
Fire Legal Liability	<b>Included</b>
Skate Facility Liability	<b>Included</b>
Host Liquor Liability	<b>Included</b>
Bert Harris Act	<b>\$300,000 Sublimit</b>

#### Auto Coverage

Comprehensive	<b>Symbol 10 and 8 - Actual Cash Value except Agreed Value on 4 Refuse Trucks valued over \$100,000</b>
PIP	<b>Statutory</b>
Physical Damage Comprehensive Deductible	<b>\$1,000</b>
Physical Damage Collision Deductible	<b>\$1,000</b>
Hired & Non-Owned Liability Coverage	<b>\$35,000</b>
Automatic Coverage	<b>Yes</b>
Automatic Coverage - additional premium?	<b>No</b>
	<b>*Option for \$1,000,000 Limit Recommended</b>

#### Crime & Bond Coverage

Employee Theft Per Loss	\$500,000
Employee Theft Deductible	\$1,000
Faithful Performance Per Loss	Included - Employee Theft
Faithful Performance Deductible	Included - Employee Theft
Money Loss Inside Limit	\$500,000
Money Loss Inside Deductible	\$1,000
Outside the Premises Limit	\$500,000
Outside the Premises Deductible	\$1,000
Premises Theft	\$500,000
Premises Theft Deductible	\$1,000
Forgery or Alteration Limit	\$500,000
Forgery or Alteration Deductible	\$1,000
Computer Fraud including funds transfer fraud	\$500,000
Computer Fraud Deductible	\$1,000

#### Premium Breakdown

Property, <b>Inland Marine &amp; Crime</b>	\$22,121
General Liability, Law Enforcement Liability, Public Officials, Employment Practices, Cyber, <b>Deadly Weapon</b>	GL - \$9,179; LEL - \$19,972; POL/EPLI - \$29,011; Cyber & Deadly Weapon - Included
Auto	\$18,311 - \$500,000 Limit; \$19,141 - \$1,000,000 Limit
Worker's Comp	\$56,369

#### Excess Coverage

#### Additional Premium

Law Enforcement Liability	Options will be provided on request
\$2,000,000 per occurrence	Included
\$3,000,000 per occurrence	Options will be provided on request
\$4,000,000 per occurrence	Options will be provided on request
\$5,000,000 per occurrence	Options will be provided on request
Aggregate amount	None (Unlimited)

#### Public Officials Liability

\$2,000,000 per occurrence	Included
\$3,000,000 per occurrence	Options will be provided on request
\$4,000,000 per occurrence	Options will be provided on request
\$5,000,000 per occurrence	Options will be provided on request
Aggregate amount	None (Unlimited)

#### Marina Operators Legal Liability & Protection and Indemnity

Available including Vessel P&I	N/A
--------------------------------	-----

#### Statutory AD&D

Police & Fire only with optional increased weekly accident indemnity	Option will be provided on request
Police & Fire only without optional increased weekly accident indemnity	Option will be provided on request
All Employees only with optional increased weekly accident indemnity	Option will be provided on request
All Employees without optional increased weekly accident indemnity	Option will be provided on request

#### Payments & Other Terms

Payment Terms	Package: Annual or 50% Down/25% due in 75 days/25% due in 166 days WC: Annual, Semi-Annual, Quarterly, or 25% down and 9 payments
Multi-year discount	No
Lines of Coverage separable?	No
If separable, does cost remain the same?	N/A
If cost change, please specify	N/A
Property	
Auto	
Inland	

**Public Officials Liability**

\$2,000,000 per occurrence	<b>Included</b>
\$3,000,000 per occurrence	<b>Options will be provided on request</b>
\$4,000,000 per occurrence	<b>Options will be provided on request</b>
\$5,000,000 per occurrence	<b>Options will be provided on request</b>
Aggregate amount	<b>None (Unlimited)</b>

**Marina Operators Legal Liability & Protection and Indemnity**

Available including Vessel P&I	<b>N/A</b>
--------------------------------	------------

**Statutory AD&D**

Police & Fire only with optional increased weekly accident indemnity	<b>Option will be provided on request</b>
Police & Fire only without optional increased weekly accident indemnity	<b>\$4,086 - Annual Term \$3,882 - 3-Year Annual Installment \$11,032 - 3-Year PrePaid</b>
All Employees only with optional increased weekly accident indemnity	<b>Option will be provided on request</b>
All Employees without optional increased weekly accident indemnity	<b>Option will be provided on request</b>

**Payments & Other Terms**

Payment Terms	<b>Package: Annual or 50% Down/25% due in 75 days/25% due in 166 days WC: Annual, Semi-Annual, Quarterly, or 25% down and 9 payments</b>
Multi-year discount	<b>No</b>
Lines of Coverage separable?	<b>No</b>
If separable, does cost remain the same?	<b>N/A</b>
If cost change, please specify	<b>N/A</b>
Property	
Auto	
Inland	

General Liability	
Workers Compensation	
Marina	
AD&D	
Cancellation by the City for 2nd term - amount of notification & penalties, if applicable	<b>N/A unless the Package 2-year policy option is chosen.</b>

**NON-COLLUSION AFFIDAVIT**

State of Florida

County of Volusia

Matthew Montgomery, being first duly sworn, deposes and says that:

- a. He/she is the Executive Vice President, (Owner, Officer, Partner, Representative or Agent)  
Of Risk Management Associates, Inc., the Bidder that has submitted the attached Proposal;
- b. He/she is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;
- c. Such Proposal is genuine and is not collusive or a sham proposal;
- d. Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm or person to submit a collusive or sham proposal in connection with the Work for which the attached Proposal has been submitted; or to refrain from proposing in connection with such work; or have in any manner, directly or indirectly, sought by person to fix the price or prices in the attached Proposal or of any other bidder, or to fix any overhead, profit, or cost elements of the Proposal price or the Proposal price of any other bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against The City of St. Augustine Beach, or any person interested in the proposed Work;
- e. Price or prices quoted in the attached Proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any other of its agents, representatives, owners, employees or parties in interest, including this affiant.

Signed, sealed and delivered in the presence of:

[Signature]  
Witness

[Signature]  
Witness

by: [Signature]

Matthew Montgomery

(Printed Name)

Executive Vice President

(Title)

Before me, the undersigned authority, personally appeared Matthew Montgomery who is personally known to me X or has produced \_\_\_\_\_ as identification and who executed the foregoing Affidavit and acknowledged to and before me that Matthew Montgomery executed said Affidavit for the purpose therein expressed.

Witness my hand and official this 23 day of August, 2019.

Robin Lee Russell

Notary Public

My Commission Expires: 9/30/2022



### **DRUG-FREE WORKPLACE FORM**

The Respondent, (business name) Risk Management Associates, Inc. dba Public Risk Insurance Advisors, in accordance with Section 287.087, F.S., hereby certifies that Respondent does the following:

1. Publishes a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Notifies employees, via the statement specified in paragraph 1, above, that, as a condition of working on the contractual services that are under Proposal, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or *nolo contendere* to, any violation of Chapter 893, F.S. or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five days after such conviction.
3. Gives each employee engaged in providing the contractual services that are under Proposal a copy of the statement specified in paragraph 1, above.
4. Informs employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations

Imposes a sanction on or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.

Makes a good faith effort to continue to maintain a drug-free workplace through implementation of Section 287.087, F.S.

As the person authorized to sign this statement, I certify that this firm complies fully with the above requirements.

By:  \_\_\_\_\_

Title Executive Vice President

Date: 8/23/2019

**PUBLIC ENTITY CRIMES AFFIDAVIT**

DATE: 8/23/2019

**SWORN STATEMENT UNDER SECTION 287.133(3) (A), FLORIDA STATUTES**

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to The City of St. Augustine Beach by: \_\_\_\_\_  
Matthew Montgomery, Executive Vice President (print individual's name and title) for \_\_\_\_\_  
Risk Management Associates, Inc. (print name of entity submitting sworn statement) whose business address is 220 S. Ridgewood Avenue, Suite 210, Daytona Beach, FL 32114  
and, (if applicable) its Federal Employer Identification Number (FEIN) is 59-2445801  
(if the entity has no FEIN, include Social Security Number of the individual signing this sworn statement: \_\_\_\_\_).
2. I understand that a "public entity crime" as defined in Paragraph 287.133 of the Florida Statutes, means a violation of any state or Federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including but not limited to, any bid or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" is defined by the Statute to mean a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" is defined in Section 287.133(1)(a), Florida Statutes, means:
  - A. A predecessor or successor of a person convicted of a public entity crime; or
  - B. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Section 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applied to bid on contracts let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate by placing a check in front of the statement which applies):

X Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members or agents who are active in the management of the entity, nor any affiliate of the entity was charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity was charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity was charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there was a subsequent proceeding before a Hearing Officer of the State of Florida Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list (attach a copy of final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY, PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO, OF ANY CHANGE AFFECTING THE CORRECTNESS OF THE INFORMATION CONTAINED IN THIS SWORN STATEMENT.

AR  
\_\_\_\_\_  
(Signature)

8/23/2019  
\_\_\_\_\_  
(Date)

STATE OF Florida

COUNTY OF Volusia

PERSONALLY APPEARED BEFORE ME, the undersigned authority, Matthew Montgomery,  
who is personally known to me or who has produced \_\_\_\_\_ as identification,  
and who, after first being sworn by me, affixed his/her signature in the space provided above on this 23st day of August, 2019.

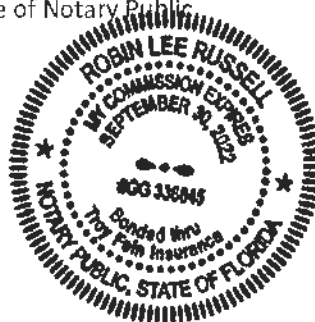
Robin Lee Russell  
\_\_\_\_\_  
Signature of Notary Public

Robin Lee Russell  
\_\_\_\_\_

Name of Notary Public

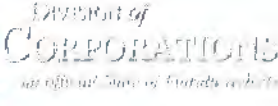

(SEAL)

My commission expires: 9/30/2022



City of St. Augustine Beach  
RFP 19-05 – Insurance and Risk Management

All responses must include, if respondent is incorporated, identification of the firm's state of incorporation and a statement that it is in good standing in that state, and if the state of incorporation is not Florida, a statement that the respondent has complied with all filing requirements of that state.



*an official State of Florida website*

[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Detail By Document Number](#)

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**Detail by FEI/EIN Number**

Florida Profit Corporation  
RISK MANAGEMENT ASSOCIATES, INC.

Filing Information

Document Number	H16549
FEI/EIN Number	59-2445801
Date Filed	08/14/1984
State	FL
Status	ACTIVE
Last Event	NAME CHANGE
AMENDMENT	
Event Date Filed	04/15/2003
Event Effective Date	NONE

Principal Address

220 S. Ridgewood Avenue, Suite 210  
Daytona Beach, FL 32114

Changed: 04/06/2018

Mailing Address

220 S. Ridgewood Ave.  
Daytona Beach, FL 32114

Changed: 04/06/2018

Registered Agent Name & Address

G T CORPORATION SYSTEM  
1200 SOUTH PINE ISLAND ROAD  
PLANTATION, FL 33324

Name Changed: 03/20/2012

Address Changed: 03/20/2012

Officer/Director Detail

**Name & Address**

Title President & Director

Brown, P. Barrett  
Six Concourse Parkway, Suite 2300

City of St. Augustine Beach  
RFP 19-05 – Insurance and Risk Management

Atlanta, GA 30328

Title Executive Vice President

Montgomery, Matthew  
220 S. Ridgewood Avenue, Suite 210  
Daytona Beach, FL 32114

Title VP

Lanni, James  
220 S. Ridgewood Ave.  
Daytona Beach, FL 32114

Title VP

Watts, Andrew R.  
220 S. Ridgewood Ave.  
Daytona Beach, FL 32114

Title Vice President & Secretary

Lloyd, Robert W.  
220 S. Ridgewood Ave.  
Daytona Beach, FL 32114

Title VP

Robinson, Anthony M.  
220 S. Ridgewood Ave.  
Daytona Beach, FL 32114

Title Treasurer

Daly, William R.  
220 S. Ridgewood Ave.  
Daytona Beach, FL 32114

Title Assistant Secretary

Robinson, Anthony M.  
220 S. Ridgewood Ave.  
Daytona Beach, FL 32114

Annual Reports

Report Year	Filed Date
2017	04/17/2017
2018	04/06/2018
2019	03/21/2019

Document Images

[03/21/2019 – ANNUAL REPORT](#)

[View image in PDF format](#)

City of St. Augustine Beach  
RFP 19-05 – Insurance and Risk Management

<a href="#">04/06/2018 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/17/2017 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/08/2016 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/12/2015 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/23/2014 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/16/2013 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/27/2012 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">03/20/2012 – Reg. Agent Change</a>	<a href="#">View image in PDF format</a>
<a href="#">04/29/2011 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/01/2010 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/08/2009 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/01/2009 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/24/2008 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/17/2007 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">03/15/2006 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">02/28/2005 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">02/10/2004 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/15/2003 – Name Change</a>	<a href="#">View image in PDF format</a>
<a href="#">03/05/2003 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">02/06/2002 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/19/2001 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">03/06/2000 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/09/1999 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">05/21/1998 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">03/17/1997 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">04/24/1996 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">03/10/1995 – ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>

## *State of Florida Department of State*

I certify from the records of this office that RISK MANAGEMENT ASSOCIATES, INC. is a corporation organized under the laws of the State of Florida, filed on August 14, 1984.

The document number of this corporation is H16549.

I further certify that said corporation has paid all fees due this office through December 31, 2019, that its most recent annual report/uniform business report was filed on March 21, 2019, and that its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

*Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this  
the First day of May, 2019*



  
Secretary of State

Tracking Number: 8007015595CU

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

City of St. Augustine Beach  
RFP 19-05 – Insurance and Risk Management



**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
04/24/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Brown & Brown of Florida, Inc. 220 South Ridgewood Avenue Daytona Beach FL 32114		<b>CONTACT</b> Laurie Kohler <b>PHONE</b> (386) 238-7242 <b>FAX</b> (386) 323-9159 <b>EMAIL</b> lkohler@bbdaytona.com <b>ADDRESS</b>															
<b>INSURED</b> BROWN & BROWN INC ETAL PUBLIC RISK INSURANCE ADVISORS PO Box 2412 Daytona Beach FL 32115		<b>INSURER(S) AFFORDING COVERAGE</b> <table border="1"> <tr> <th>INSURER</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Travelers Property Casualty Company of America</td> <td>25874</td> </tr> <tr> <td>INSURER B: The Continental Insurance Company</td> <td>35289</td> </tr> <tr> <td>INSURER C: XL Specialty Insurance Company</td> <td>37885</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>		INSURER	NAIC #	INSURER A: Travelers Property Casualty Company of America	25874	INSURER B: The Continental Insurance Company	35289	INSURER C: XL Specialty Insurance Company	37885	INSURER D:		INSURER E:		INSURER F:	
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INSURER C: XL Specialty Insurance Company	37885																
INSURER D:																	
INSURER E:																	
INSURER F:																	

**COVERAGES** **CERTIFICATE NUMBER:** 2019-20 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTW	TYPE OF INSURANCE	ADDL INSR	SUBR NOV	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			TC2JGLSA9527B67419	01/01/2019	01/01/2020	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIM-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
A	<input checked="" type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER:			TC2JCAP9527B96219	01/01/2019	01/01/2020	GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
	OTHER:						\$
	<b>AUTOMOBILE LIABILITY</b>						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
B	<input type="checkbox"/> ANY AUTO			0011849429	01/01/2019	01/01/2020	BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> OWNED AUTOS ONLY						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY						Combined single limit \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			0011849429	01/01/2019	01/01/2020	EACH OCCURRENCE \$ 10,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 10,000,000
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						\$
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIM-MADE						\$
A	<b>WORKERS COMPENSATION AND EMPLOYER'S LIABILITY</b>			TC2JUB9517B56019	01/01/2019	01/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in SD)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	<b>INS AGENTS E&amp;O</b>			ELU15039019	01/01/2019	01/01/2020	LIMIT 20,000,000
							AGGREGATE 20,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 109, Additional Remarks Schedule, may be attached if more space is required)

FOR INFORMATION

**CERTIFICATE HOLDER**

PUBLIC RISK INSURANCE ADVISORS

P O BOX 2416  
DAYTONA BEACH

FL 32115

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Dany Bradley*

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ACORD 25 (2016/03)

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**ADDITIONAL REMARKS SCHEDULE**

Page \_\_\_\_ of \_\_\_\_

AGENCY CUSTOMER ID: \_\_\_\_\_

LOC #: \_\_\_\_\_

AGENCY Brown & Brown of Florida, Inc.		NAMED INSURED BROWN & BROWN INC ETAL
POLICY NUMBER		
CARRIER	NAIC CODE	
EFFECTIVE DATE:		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.

FORM NUMBER: \_\_\_\_\_ FORM TITLE: : Notes

INSURER A-WORKERS COMPENSATION-POLICY TRUB9518676112-TRAVELERS INDEMNITY-EFF 1-1-19 TO 1-1-20, LIMITS  
1,000,000/1,000,000/1,000,000

**Tab 7**  
Package Specimen



## PUBLIC ENTITY

### COMMON AGREEMENT DECLARATIONS

Administered By:  
Public Risk Underwriters of Florida ®  
P.O. Box 958455  
Lake Mary, FL 32795-8455

TRUST:  
Preferred Governmental Insurance Trust  
P.O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement Number:** PK2 FL1 TESTMUN2 19-19

**NAMED COVERED PARTY AND MAILING ADDRESS:**      **AGENT NAME AND ADDRESS:**

ZZZ, Town of  
1234 Main St  
Somewhere, FL 33706

**AGREEMENT PERIOD:**      From: 10/01/2019      To: 10/01/2021  
At 12:01 a.m. Eastern Standard Time at your mailing address shown above.

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

This agreement consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

COVERAGE PART	ANNUAL PREMIUM
Property and Inland Marine Coverage	<u>Included</u>
General Liability Coverage	<u>Included</u>
Law Enforcement Coverage	<u>Included</u>
School Leaders' and Employment Practices Liability Coverage	<u>Not Included</u>
Automobile Coverage	<u>Included</u>
Garage Keepers Coverage	<u>Included</u>
Public Officials and Employment Practices Liability Coverage	<u>Included</u>
Crime Coverage	<u>Included</u>
Excess Workers' Compensation Coverage	<u>Included</u>
Deadly Weapon Protection Coverage	<u>Included</u>
<b>TOTAL ANNUAL PREMIUM</b>	<b>\$689,392.00</b>

FORMS APPLICABLE TO ALL COVERAGE PARTS:

See PGIT MN-002

THESE DECLARATIONS TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PARTS SUPPLEMENTAL DECLARATIONS, FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED AGREEMENT.

**COUNTERSIGNED**      07/19/2019  
Date

BY   
Authorized Representative

PGIT MN-001 (10 19)

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## PUBLIC ENTITY

### COVERAGE AGREEMENT FORMS LIST

COVERED PARTY: **ZZZ, Town of**

AGREEMENT NO.: **PK2 FL1 TESTMUN2 19-19**

Form Name	Form Number
Public Entity Coverage Agreement Forms List	PGIT MN-002 (10 16)
Public Entity Common Agreement Declarations	PGIT MN-001 (10 19)
Public Entity Common Agreement Conditions	PGIT MN-090 (10 19)
Public Entity Additional Conditions	PGIT MN-093 (10 16)
Public Entity Property and Inland Marine Coverage Part Declarations	PGIT MN-010 (10 19)
Public Entity Property - Property and Inland Marine Coverage Form	PGIT MN-104 (10 18)
Public Entity Property - Flood Coverage	PGIT MN-107 (10 17)
Public Entity Property - Earth Movement Coverage	PGIT MN-109 (10 13)
Public Entity Property - Schedule of Deductibles	PGIT MN-122 (10 18)
Public Entity Equipment Breakdown Protection Coverage Form	PGIT MN-150 (10 13)
Public Entity Terrorism Coverage Endorsement	PGIT MN-198 (10 14)
Public Entity General Liability Coverage Part Declarations	PGIT MN-020 (10 18)
Public Entity General Liability - Coverage Form	PGIT MN-200 (10 19)
Public Entity General Liability - Preferred Endorsement	PGIT MN-203 (10 19)
Public Entity General Liability - Employee Benefits Liability Coverage	PGIT MN-205 (10 13)
Public Entity General Liability - Deductible Liability Coverage	PGIT MN-206 (10 13)
Public Entity General Liability - Law Enforcement Liability Coverage	PGIT MN-208 (10 15)
Public Entity Excess Workers Compensation Coverage Form	PGIT MN-250 (10 19)
Public Entity General Liability - Unmanned Aircraft Coverage	PGIT MN-212 (10 16)
Public Entity Excess Workers Compensation Coverage Part Declarations	PGIT MN-027 (10 13)
Public Entity Public Officials and Employment Practice Liability Coverage Part Declarations	PGIT MN-025 (10 18)
Public Entity Public Officials Liability and Employment Practices Liability Coverage Form (CLAIMS MADE)	PGIT MN-500 (10 18)
Public Entity Cyber Liability Endorsement	PGIT MN-700 (10 18)
Public Entity Automobile Coverage Part Declarations	PGIT MN-030 (10 13)
Public Entity Automobile Coverage Form	PGIT MN-300 (10 19)
Public Entity Automobile Florida	PGIT MN-301 (10 13)
Public Entity Auto - Florida Uninsured Motorist Coverage - Non-Stacked	PGIT MN-303 (10 13)
Public Entity Auto - Deductible Liability Coverage	PGIT MN-306 (10 13)
Public Entity Auto-Florida Personal Injury Protection	PGIT MN-309a (10 19)
Public Entity Auto - Pollution Liability - Broadened Coverage For Covered Autos	PGIT MN-311 (10 13)
Public Entity Auto - Mutual Aid Endorsement	PGIT MN-312 (10 13)
Public Entity Symbol Definition Endorsement	PGIT MN-399 (10 13)
Public Entity Auto - Garage Coverage Part Declarations	PGIT MN-036 (10 13)
Public Entity Auto - Garagekeepers Coverage Form	PGIT MN-317 (10 13)
Public Entity Auto - Garage Coverage Form	PGIT MN-361 (10 13)
Public Entity Deadly Weapon Protection Declarations	PGIT MN-040 (10 19)
Public Entity Deadly Weapon Protection Coverage Form	PGIT MN-400 (10 19)



PUBLIC ENTITY  
COVERAGE AGREEMENT FORMS LIST

COVERED PARTY:     **ZZZ, Town of**

AGREEMENT NO.:     **PK2 FL1 TESTMUN2 19-19**

**Form Name**

**Form Number**

Public Entity Crime Coverage Part Declarations	PGIT MN-080 (10 14)
Public Entity Government Crime Coverage Form	PGIT MN-820 (10 13)
Public Entity Auto and General Liability - Nuclear Energy Liability Exclusion Endorsement	PGIT MN-900 (10 13)
Public Entity Auto, General Liability and Property - Automatic Additional Covered Parties	PGIT MN-902 (10 16)
Public Entity Self Insured Retention Schedule and Endorsement	PGIT MN-903 (10 19)
Public Entity - Muni Inland Marine Schedule	
Public Entity - Muni Property Schedule	
Public Entity - Muni Auto Schedule	
Muni Informational Contact	



## PUBLIC ENTITY

### COMMON AGREEMENT CONDITIONS

All Coverage Forms and general endorsements included in this Coverage Agreement are subject to the following conditions:

#### A. CANCELLATION

1. The first named Covered Party shown in the Declarations may cancel this Coverage Agreement by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Coverage Agreement by mailing or delivering to the first named Covered Party written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 60 days before the effective date of cancellation if we cancel for any other reason
3. We will mail or deliver our notice to the first named Covered Party's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The Coverage Agreement period will end on that date.
5. If this Coverage Agreement is cancelled, we will send the first named Covered Party any premium refund due. If we cancel, the refund will be pro rata, subject to H. Minimum Earned Premium. If the first named Covered Party cancels, the refund may be less than pro rata, subject to H. Minimum Earned Premium.

The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. Failure of the Covered Party to make timely payment of premium shall be considered a request by the Covered Party for the Trust to cancel on the Covered Party's behalf. In the event of such cancellation for non-payment of premium, the minimum earned premium shall be due and payable; provided, however, such cancellation shall be rescinded if the Covered Party remits and the Trust receives the full premium within 10 days after the date of issuance of the cancellation notice.

#### B. CHANGES

This Coverage Agreement contains all the agreements between you and us concerning the coverage afforded. The first named Covered Party shown in the Declarations is authorized to make changes in the terms of this Coverage Agreement with our consent.

This Coverage Agreement's terms can be amended or waived only by endorsement issued by us and made a part of this Coverage Agreement.

#### C. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this Coverage Agreement.

#### D. COORDINATION OF COVERAGES

In the event a single claim or suit triggers coverage under more than one coverage part, the most we will pay is the greater of the applicable limit or sublimit from either coverage part, subject to that coverage part's deductible or Self Insured Retention.

#### E. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this Coverage Agreement at any time during the Coverage Agreement period and up to three years afterward.

#### F. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. 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. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### **G. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Agreement without additional premium within 45 days prior to or during the coverage period, the broadened coverage will immediately apply to this Coverage Agreement.

#### **H. MINIMUM EARNED PREMIUM**

In the event of cancellation of this Coverage Agreement or any individual line of coverage within this Coverage Agreement by the Covered Party, a minimum premium of 25% of written premium for the Coverage Agreement or the individual line of coverage therein shall become earned, subject to any provision of the Coverage Agreement to the contrary notwithstanding.

#### **I. OTHER COVERAGE OR INSURANCE**

You may have other coverage or insurance subject to the same plan, terms, conditions and provisions as the coverage under this Coverage Agreement. If you do, we will pay our share of the covered loss or damage. Our share is the lesser of:

1. The proportion that the Limit of Coverage of our Coverage Agreement bears to the total of the limits of all the Coverage Agreements and policies covering on the same basis; or
2. The amount retained by Preferred Governmental Insurance Trust when Preferred Governmental Insurance Trust is a named insured on reinsurance or excess of loss coverage purchased on behalf of its members; or

Additionally, in the event an occurrence exhausts a limit purchased by Preferred Governmental Insurance Trust on behalf of multiple members, payment to you for a covered loss will be reduced pro rata based on the amounts of covered loss by member.

The administrator for Preferred Governmental Insurance Trust will retain reinsurance or excess of loss coverage policies purchased on behalf of its members.

#### **J. PREMIUMS**

The first named Covered Party shown in the Declarations:

1. Is Responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

#### **K. SUBROGATION**

1. In the event of any payment under this Coverage Agreement, we shall be subrogated to all of your rights of recovery therefore against any person or organization, and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.
2. You shall not act (or fail to act, as the case may be) in any manner that will prejudice our subrogation rights.

#### **L. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS COVERAGE AGREEMENT**

Your rights and duties under this Coverage Agreement may not be transferred without our written consent.

- M.** The Trust shall have the right and duty to defend any covered claim brought against the Covered Party even if such claim is groundless, false, or fraudulent. The Covered Party shall not admit or assume liability or settle or negotiate to settle any claim or incur any claims expenses without the prior written consent of the Trust, and the Trust has the right to appoint counsel and make such investigation and defense of a covered claim as it deems necessary.

#### **N. CONSENT TO SETTLE**

1. The Trust shall not settle any claim without the written consent of the Public Entity. If the Public Entity

refuses to consent to a settlement or compromise recommended by the Trust and acceptable to the claimant, then the Trust's Limit of Liability under this Coverage Agreement with respect to such claim shall be reduced to the amount of damages for which the claim could have been settled plus all claims expenses incurred up to the time the Trust made its recommendation to the Public Entity, which amount shall not exceed that portion of any applicable Aggregate Limit of Liability that remains unexhausted by payment of damages.



## PUBLIC ENTITY

### ADDITIONAL CONDITIONS

This coverage agreement covers two (2) annual twelve month periods, from 10/01/2019 12:01:00 AM to 10/01/2020 12:01:00 AM and from 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM. The following conditions apply in addition to all other conditions of this coverage agreement:

- A. All Aggregate limits reset for the period 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM. Losses applying to the annual period from 10/01/2019 12:01:00 AM to 10/01/2020 12:01:00 AM will erode the Aggregate(s) for the first annual period, but will not erode the Aggregate(s) for the period from 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM.
- B. The premium for the period 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM will be determined based on updated exposure values for this period.
- C. Rates for the period 10/01/2020 12:01:00 AM to 10/01/2021 12:01:00 AM will be identical to those for the period commencing 10/01/2019 12:01:00 AM, with premium subject to the following:
  - 1. Changes to scheduled values for property, inland marine, automobiles, payroll, and number of employees.
  - 2. NCCI Experience modification factors will be applied as promulgated.
- D. In the event of cancellation of any line of business within 90 days after the first day of either annual coverage period, the premium for such line(s) shall be 25% minimum earned. In the event of cancellation of any line of business following the initial 90 days of each annual coverage period, a penalty equal to 60 days premium of such line(s) of business shall become earned, any provision of the agreement to the contrary notwithstanding.
  - 1. This penalty is earned and payable regardless of when notice of such cancellation is given, or effective date of such cancellation.



## PUBLIC ENTITY

### PROPERTY AND INLAND MARINE COVERAGE PART DECLARATIONS

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

#### Deductibles

2% TIV per Occurrence/Per Location for "Named Storm" subject  
to minimum of \$20,000 Per Occurrence  
\$5,000 Per Occurrence – All Other Perils – Building & Contents and  
Extensions of Coverage

Per Attached Schedule Inland Marine

#### Covered Property

Total Insured Values - Blanket Value Building and Contents - Per Schedule \$15,500,000  
on file totaling

Loss of Business Income 500,000

Additional Expense 1,000,000

#### Inland Marine

Blanket Unscheduled Inland Marine (Subject to \$25,000 any one item excludes Watercraft) \$50,000

Scheduled Inland Marine \$50,000

Total All Inland Marine \$100,000

If marked with an "X" we will cover the following EXTENSIONS OF COVERAGE on form PGIT MN-104. These limits of liability do not increase any other applicable limit of liability.

(X)	Code	Extensions of Coverage	Limit of Liability
X	A	Accounts Receivable	\$ 500,000 in any one occurrence
X	B	Animals	\$ 5,000 Annual aggregate in any one agreement period
X	C	Buildings Under Construction	If shown on the Property Schedule
X	D	Debris Removal Expense	\$ 250,000 or 25% of loss, whichever is greater, per occurrence
X	E	Demolition Cost, Operation of Building Laws and Increased Construction Cost	\$ 500,000 in any one occurrence
X	F	Duty to Defend	Included
X	G	Errors and Omissions	\$ 250,000 in any one occurrence
X	H	Expediting Expenses	\$ 5,000 in any one occurrence
X	I	Fire Department Charges	\$ 25,000 in any one occurrence
X	J	Fungus Cleanup Expense	\$ 50,000 Annual aggregate in any one agreement period
X	K	Lawns, Plants, Trees and Shrubs	\$ 25,000 in any one occurrence

	<b>L</b>	Leasehold Interest	\$ 0 in any one occurrence
<b>X</b>	<b>N</b>	New Locations	\$ 2,000,000 in any one occurrence for up to 60 days from the date such new location(s) is first purchased, rented or occupied, whichever is earlier
<b>X</b>	<b>O</b>	Personal Property of Employees	\$ 50,000 in any one occurrence
<b>X</b>	<b>P</b>	Pollution Cleanup Expense	\$ 50,000 Annual Aggregate in any one agreement period
<b>X</b>	<b>Q</b>	Professional Fees	\$ 20,000 in any one occurrence
<b>X</b>	<b>R</b>	Recertification	\$ 10,000 in any one occurrence
<b>X</b>	<b>S</b>	Service Interruption Coverage	\$ 100,000 in any one occurrence
<b>X</b>	<b>T</b>	Transit	\$ 250,000 in any one occurrence
<b>X</b>	<b>U</b>	Vehicle Property Coverage	\$ 1,000,000 in any one occurrence
<b>X</b>	<b>V</b>	Preservation of Property Coverage	\$ 250,000 in any one occurrence
<b>X</b>	<b>W</b>	Property at Miscellaneous Unnamed Locations	\$ 150,000 in any one occurrence

### Special Property Coverages

<u>Coverage</u>	<u>Deductibles</u>	<u>Limit</u>
Earth Movement	\$5,000	\$5,000,000
Flood	\$5,000 except for Zones A & V	\$5,000,000
TRIA	\$5,000	\$1,000,000

### Equipment Breakdown (Boiler & Machinery)

<u>Coverage</u>	<u>Limit</u>
Property Damage/ Loss of Business Income/ Additional Expense per accident	\$15,500,000
Water Damage	\$1,000,000
Ammonia Contamination	\$1,000,000
Hazardous Substance Coverage	\$1,000,000
Utility Interruption - (24 hour waiting period)	\$2,000,000
Spoilage Damage	\$250,000
Ordinance or Law	\$1,000,000
Expediting Expenses	\$1,000,000
Data or Media	\$250,000
Fungus, Wet Rot, Dry Rot	\$15,000
<u>Deductible</u>	<u>Amount</u>
Equipment Breakdown	\$5,000

### FORMS AND ENDORSEMENTS

Forms and endorsements applying to this Coverage Parts and made part of the coverage agreement at this time of issue: **See PGIT MN-002**

Premium: **\$ INCLUDED**

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PARTS, FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



Inland Marine Schedule

Agreement Period: 10/01/2019 through 10/01/2021

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

AGENCY:

Item #	Description	Serial Number	Classification Code	Effective Date	Value	Deductible
				Term Date		
001	Blanket Mobile		Contractor's / Mobile Equipment - ACV	10/01/2019	\$50,000.00	\$1,000
				10/01/2020		
002	Blanket Unscheduled		Blanket Unscheduled	10/01/2019	\$50,000.00	\$1,000
				10/01/2020		
				Total	\$100,000.00	



Property Schedule

Agreement Period: 10/01/2019 through 10/01/2021

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

AGENCY:

Loc #	Description	Address	Const Type	Eff. Date	Term. Date	Building Value	Contents value
001	City Hall	123 Main St Somewhere FL 32746	101 - Frame	10/01/2019	10/01/2020	\$15,000,000	\$500,000
				Total		\$15,000,000	\$500,000
				TIV		\$15,500,000.00	



## PUBLIC ENTITY PROPERTY

### **PUBLIC ENTITY PROPERTY AND INLAND MARINE COVERAGE**

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

Throughout this Coverage Agreement the words **you** and **yours** refers to the Named Covered Party shown in the Declarations. The words **we**, **us** and **ours** refers to the Trust providing this Coverage Agreement.

#### **SECTION I - COVERAGE AGREEMENTS**

##### **A. Coverage Agreement**

**We** will pay, subject to all the terms and conditions of this Coverage Agreement, for direct physical loss to **covered property** as a result of an **occurrence**, unless excluded.

This Coverage Agreement will also include any endorsements added by agreement between **you** and **us**. Coverage is provided at those locations and for those coverages and limits of liability shown on the **Schedule of the DECLARATIONS**. Extensions of coverage, sublimits of liability and deductibles are listed in the DECLARATIONS. Endorsements may contain separate deductibles and limits or sublimits of liability.

Terms in **bold-faced type** have special meanings in this Coverage Agreement. They are defined in **DEFINITIONS**. These definitions apply to this entire Coverage Agreement, and to any endorsements to it. Definitions that apply to individual forms or endorsements will be noted in those forms or endorsements. The names of forms are capitalized (for example, **DECLARATIONS**).

##### **B. Coverages**

**We** will provide the following coverages if they are marked with an "X". Coverages will be provided in accordance with the terms and conditions of this Coverage Agreement. Terms that apply only to individual coverage forms will be set forth in those forms. This Coverage Agreement provides coverage on an **actual cash value** basis for **Real Property**, **Inland Marine** and **Personal Property** unless **replacement cost** coverage is marked with an "X".

(X) **Real Property**

(X) **Replacement Cost**

(X) **Personal Property**

(X) **Replacement Cost**

(X) **Inland Marine**

( ) **Replacement Cost**

(X) **Loss of Business Income**, up to the limit shown in the DECLARATIONS

(X) **Additional Expense**, up to the limit shown in the DECLARATIONS

##### **C. Limit of Liability**

Subject to all terms and conditions of the coverage agreement the most **we** will pay for all loss, damage or costs to **Real Property** and **Personal Property** in any one **occurrence** is the applicable limits of liability shown in the property declaration. The blanket limit of coverage shown in the property declaration applies to all **Real Property** and **Personal Property**. It is agreed that any location listed on the **Schedule of DECLARATIONS** with no value (\$0) is not covered by the property coverage agreement.

#### **SECTION II – COVERAGES**

**A. We** will pay for **covered loss** to **your real property**, **inland marine** or **personal property** only if marked with an "X" in **Section I B. Coverages**:

1. At the locations shown on the **Schedule of the DECLARATIONS**,
2. **Property in the open** within 1,000 feet of locations described in 1;
3. With respects to Inland Marine, at or away from **your covered location**.

**B. We will pay, only when marked with an 'X' in Section I B. Coverages, and if a limit is shown in the DECLARATIONS, for:**

**1. Your Loss of Business Income**

a. **We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by:**

- (1) direct physical loss or damage to property at premises which are described in the DECLARATIONS; or
- (2) action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises but within one statute mile thereof, beginning 72 hours after the time of that action, and for a period not to exceed fourteen (14) consecutive days from the date of the action.
- (3) physical prevention of ingress to or egress from a **covered location** due to direct physical loss of or damage to property, other than at the described premises but within one statute mile thereof, beginning 72 hours after the time of that action, and for a period not to exceed (14) consecutive days from the date of the action.

and for which a **Business Income** Limit of Coverage is shown in the DECLARATIONS. The loss or damage must be caused by or result from a **peril insured against**.

b. With respect to the requirements set forth in the preceding paragraph, if **you** occupy only part of the site at which the described premises are located, **your premises** means:

- (1) The portion of the building which **you** rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

c. In determining the actual **loss of business income**, consideration must be given to:

- (1) The experience of the business before the loss and the probable experience after the loss;
- (2) The continuation of only those normal charges and expenses that would have been incurred had no interruption of production or suspension of business operations or services happened;
- (3) The demonstration of an actual loss of sales or income; and
- (4) Any amount recovered under property damage coverages at selling price for loss or damage to merchandise will be considered to have been sold to **your** regular customers.

d. **We will not pay unless you are wholly or partially prevented from:**

- (1) producing goods; or
- (2) continuing business operations or services.

e. **You are required to mitigate your loss by:**

- (1) Making up lost production within a reasonable period of time not limited to the **period of restoration**.
- (2) Continuing business operations or services during the **period of restoration**.
- (3) Using any property or service:
  - (i) owned or controlled by **you**; or
  - (ii) obtainable from any other sources.
- (4) Working extra time or overtime.
- (5) Using inventory.

**We will not pay for any loss to the extent it can be reduced through these or any other means whether at a **covered location** or any other location.**

f. **We will not pay for:**

- (1) Any loss during any idle period. Idle period includes but is not limited to any period when production, operation or service would cease or be prevented due to:
  - (i) physical damage not covered under this Coverage Agreement on or away from the **covered location**;

- (ii) planned or rescheduled shutdown or maintenance;
- (iii) strikes or other work stoppage;
- (iv) any reason other than a **covered loss**.

(2) Any increase in loss due to:

- (i) suspension, cancellation or lapse of any lease, contract, license or order.
- (ii) fines or damage for breach of contract for late or non-completion of orders, or for penalties of any nature.

(3) Any consequential, indirect or remote loss;

(4) Any loss resulting from damage to:

- (i) finished goods manufactured by **you**; nor for the time required for their reproduction.
- (ii) property in transit.

(5) Any loss or expense recoverable elsewhere in this Coverage Agreement.

g. The most we will pay for a loss under this coverage is the lesser of:

- (1) **Your actual loss of business income and necessary expense**; or
- (2) The applicable limit of liability shown on the **Schedule of the DECLARATIONS**.

## 2. Additional Expense

a. We will pay the actual and necessary Additional Expense **you** sustain due to:

- (1) direct physical loss or damage to property at premises which are described in the DECLARATIONS; or
- (2) action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises but within one statute mile thereof, for a period not to exceed fourteen (14) consecutive days from the date of the action.

and for which an **Additional Expense** Limit of Coverage is shown in the DECLARATIONS. The loss or damage must be caused by or result from a **peril insured against**.

b. With respect to the requirements set forth in the preceding paragraph, if **you** occupy only part of the site at which the described premises are located, **your** premises means:

- (1) The portion of the building which **you** rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

c. We will also pay **Additional Expense** to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

d. Coverage for **Additional Expense** does not apply when action is taken to avoid or minimize a suspension of operations caused by destruction or corruption of electronic **data**, or any loss or damage to electronic **data**.

e. We will not pay for:

- (1) Loss of **Business Income**
- (2) Costs which would have been incurred in conducting **your** business during the same period had no **covered loss** happened.
- (3) The cost of permanent repair or replacement of property that has been damaged or destroyed.
- (4) Any loss during any idle period. Idle period includes but is not limited to any period when production, operation or service would cease or be prevented due to:
  - (i) physical damage not covered under this Coverage Agreement on or away from the **covered location**;
  - (ii) planned or rescheduled shutdown or maintenance;
  - (iii) strikes or other work stoppage;
  - (iv) any reason other than a **covered loss**.

(5) Any increase in loss due to:

- (i) suspension, cancellation or lapse of any lease, contract, license or order.
    - (ii) fines or damage for breach of contract for late or non-completion of orders, or for penalties of any nature.
  - (6) Any consequential, indirect or remote loss;
  - (7) Any loss resulting from damage to:
    - (i) finished goods manufactured by **you**; nor for the time required for their reproduction.
    - (ii) property in transit.
  - (8) Any loss or expense recoverable elsewhere in this Coverage Agreement.
- f. The most **we** will pay for a loss under this coverage is the lesser of:
- (1) **Your actual Additional Expense**; or
  - (2) The applicable limit of liability shown on the **Schedule of the DECLARATIONS**.

### SECTION III - EXCLUSIONS

#### **A. War and Terrorism Exclusion**

Notwithstanding any provision to the contrary within this coverage or any endorsement thereto it is agreed that this coverage excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. Any act of terrorism. For the purpose of this Coverage Agreement, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group (s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This coverage also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1. and/or 2. above. If **we** allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Coverage Agreement the burden of proving the contrary shall be upon **you**.

#### **B. Biological or Chemical Materials Exclusion**

This coverage excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

#### **C. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Coverage Agreement or any endorsement thereto, it is understood and agreed as follows:

1. This Coverage Agreement does not cover loss, damage, destruction, distortion, erasure, corruption or alteration of **electronic data** from any cause whatsoever (including but not limited to **computer virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this Exclusion **electronic data** means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

For the purpose of this Exclusion **computer virus** means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer virus** includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs.'

2. However, in the event that a peril listed below results from any of the matters described in paragraph 1. above, this Coverage Agreement, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Coverage Agreement period to property covered by this Coverage Agreement directly caused by such listed peril:

Listed Perils:

- (a) Fire
- (b) Explosion

**D. Electronic Date Recognition Exclusion**

This Coverage Agreement does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- 1. the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Covered Party or not; or
- 2. any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Covered Party or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

**E. Asbestos**

1. This Coverage Agreement only covers asbestos physically incorporated in a covered building or structure, and then only that part of the asbestos which has been physically damaged during the period of coverage by a **specified peril**.

This coverage is subject to each of the following specific limitations:

- (a) The said building or structure must be covered under this Agreement for damage by that **specified peril**.
- (b) The **specified peril** must be the immediate, sole cause of the damage of the asbestos.
- (c) The covered party must report the existence and cost of the damage as soon as practicable after the **specified peril** first damaged the asbestos. However, this Agreement does not cover any such damage first reported more than 12 (twelve) months after the expiration, or termination, of the period of coverage.
- (d) Coverage under this Agreement in respect of asbestos shall not include any sum relating to:
  - i. any faults in the design, manufacture or installation of the asbestos;
  - ii. asbestos not physically damaged by the **specified peril** including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

2. Except as set forth in the foregoing Section 1, this Agreement does not cover asbestos or any sum relating thereto.

**F. We will not pay for losses caused by or resulting from any of the following, regardless of any other cause or event, including a **peril insured against**, that contributes to the loss at the same time or in any other sequence.**

1. Any electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical or electronic equipment caused by electrical currents artificially generated. If a fire or an explosion loss ensues, **we** will pay for that loss.

This exclusion will not apply to physical loss to:

- (a) **Data or software** caused by injury, disturbance, or erasure resulting from electricity or magnetic fields: or
- (b) **Electronic data processing equipment** caused by short circuit, blowout, or other electrical damage from an occurrence that took place within 500 feet of the **covered location**.

2. **Earth movement**, whether sudden or gradual.

- (a) But if a loss to **covered property** by fire, theft, or explosion ensues, **we** will pay for that loss.
- (b) This exclusion does not apply to **covered property** in transit.
- (c) This exclusion does not apply to **sinkhole collapse** or **volcanic activity**.

3. **Flood**

- (a) But if a loss to **covered property** by fire, theft, or explosion ensues, **we** will pay for that loss.
- (b) If covered electrical equipment requires drying out because of **flood**, **we** will pay for the direct expenses of such drying out.
- (c) This exclusion does not apply to **inland marine**, or to **covered property** in transit.

4. **Pollution**

5. Demolition Cost, Operation of Building Laws and Increased Cost of Construction

Enforcement of any ordinance or law regulating the use, construction, repair or demolition of buildings or structure including Debris Removal Expense.

6. Seizure or destruction of **covered property** by government order.

But **we** will pay for loss to **covered property** resulting from acts of destruction ordered by government to prevent the spread of fire.

7. Nuclear reaction or nuclear radiation, or radioactive contamination;

8. Interference with or interruption of any public or private utility or any entity providing power, heat, air conditioning, communication, water or sewer or any other service, however caused, if the failure occurs away from the **covered location**.

But if a **covered loss** ensues, **we** will pay for that loss.

G. **We** will not pay for losses caused by or resulting from any of the following:

- 1. Unexplained or mysterious disappearance of any property;
- 2. Shortage of property discovered on taking inventory;
- 3. Theft by employees, whether acting alone or with others;
- 4. Any criminal, fraudulent or dishonest acts committed alone or in collusion with others;
  - (a) by **you**;
  - (b) by any proprietor, partner, director, officer or employee of **yours**; or
  - (c) by any proprietor, partner, director or officer of any proprietorship, partnership, corporation or association engaged by **you** to render any service or perform any act in connection with **covered property**.

5. Manufacturing or processing operations, which result in damage to stock or materials while the stock or materials are being processed, manufactured, worked on or tested.

But if a **covered loss** ensues, **we** will pay for that loss.

6. Delay, loss of market, loss of use, indirect or remote loss or damage;

7. Loss attributable to:

- (a) Wear and tear, deterioration, depletion, erosion, rust, corrosion, wet or dry rot, decay;
- (b) Inherent vice, latent defect, or any quality in the **covered property** that causes it to damage or destroy itself;
- (c) Smog, acid rain, agricultural smudging;
- (d) Smoke, fumes, gas or vapor that result from industrial operations;
- (e) Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings, retaining walls or outdoor swimming pools;
- (f) Animals, birds, vermin, rodents or insects;
- (g) Change or extremes in temperature or humidity, except damage to equipment;
- (h) Contamination, shrinkage, change in taste, texture, finish or color. But if a **covered loss** ensues, **we** will pay for that loss.

8. **Fungus**

**We** will not pay for loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mold, mildew, **fungus**, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- (a) any physical loss or damage to **covered property**;
- (b) any covered peril or cause, whether or not contributing concurrently or in any sequence;
- (c) any loss of use, occupancy, or functionality; or
- (d) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns. This exclusion does not apply to the extent that coverage is provided in Section VII Extensions of Coverage, **J. Fungus** Cleanup Expense with respect to loss or damage by a cause of loss other than fire or lightning.

9. Failure or breakdown of machinery or equipment, including rupture or bursting caused by centrifugal force.

But if a **covered loss** ensues, we will pay for that loss.

This exclusion will not apply to physical loss to:

**Data, electronic data processing equipment or software** caused by mechanical breakdown, failure, changes in arrangement of parts, errors, omissions, or lack in design, specification, material or workmanship.

10. Explosion of the following:

- (a) Steam boilers;
- (b) Steam turbines, steam engines, steam piping; or,
- (c) Gas turbines.

But if a loss to **covered property** by fire or explosion ensues, we will pay for that loss.

11. Rupture, bursting, cracking, burning or bulging of the following:

- (a) Steam boilers;
- (b) Steam turbines, steam engines, steam piping;
- (c) Hot water boilers or other equipment for heating water;
- (d) Pressure vessels; or,
- (e) Gas turbines.

But if a loss to **covered property** by fire or explosion ensues, we will pay for that loss.

12. Loss attributable to faulty, defective or inadequate:

- (a) Construction, workmanship or material;
- (b) Maintenance;
- (c) Design, plan or specification;
- (d) Zoning compliance;
- (e) Developing, surveying, or siting of buildings or structures during the course of construction or alterations; or,
- (f) Compliance with building codes.

But if a **covered loss** ensues, we will pay for that loss.

13. Loss or damage to any structure located in the water; including but not limited to bulkheads, docks, piers, wharves, retaining walls, boardwalks or underwater conduit from:

- (a) Freezing and thawing;
- (b) Impact of watercraft;
- (c) Waves, or debris driven by waves;
- (d) Pressure or weight of ice or water, whether driven by wind or not; or
- (e) Sinking or settling.

14. We will not pay for any loss or damage directly or indirectly related to or arising out of any offshore oil well or oil shipping / tanker incident and the ensuing oil spill.

**SECTION IV - PROPERTY NOT COVERED**

We do not cover loss to:

- 1. Animals, water, land including land on which the property is located, shrubs, trees, lawns, growing crops, or standing timber, except to the extent these may be covered in PGIT MN-104, Section VII;

2. Aircraft;
3. Property **you** sold under conditional sale, trust agreement, installment payment, or other deferred payment plan after such property has been delivered to the customer;
4. Caves, caverns, mines of any type, or any property contained within them;
5. Currency, money, notes or securities;
6. Dams, dikes, or levees;
7. Contraband or property in the course of illegal transportation or trade;
8. Property covered under import or export ocean cargo policies;
9. Property **you** transport as a common carrier;
10. Property shipped by mail, unless sent registered or certified;
11. **Watercraft**, unless loss is from a **specified peril**.
12. Vehicles licensed or designed for highway use, unless shown on the Property Declaration, Extensions of Coverage Item **U**, and then no coverage for any **over the road coverage**, or collision with another vehicle or object. The AOP deductible applies per occurrence and in the event of a Named Storm the Named Storm deductible applies per vehicle rather than per location. This coverage is paid at actual cash value at the time of loss.

#### SECTION V - VALUATIONS

##### **A. Actual Cash Value**

1. Loss to **covered property** will be valued at the time and place of the loss at **actual cash value** unless otherwise indicated in this Coverage Agreement.
2. On **Inland Marine**, items not individually itemized on the schedule will be subject to a maximum valuation of:
  - (a) \$250,000 per item for **Rented, Borrowed or Leased Equipment**; or
  - (b) \$25,000 per item for all other classes of **Inland Marine**
3. On **Inland Marine** if the valuation type on the **Inland Marine** schedule is "agreed value" then item 1 and 2 above will not apply and the loss is paid based on the agreed value on the schedule, less the applicable deductible.
4. Loss to vehicles scheduled under Extensions of Coverage, Item **U** are valued at the time and place of the loss at **actual cash value**.

##### **B. Replacement Cost**

1. Loss to **covered property** will be valued at **replacement cost**, computed at the time and place of the loss, if **replacement cost** is marked with an "X" in **Section 1.B**. Coverages unless otherwise indicated in this Coverage Agreement.
2. **We** will not pay **replacement cost** until the lost or damaged property is actually repaired or replaced. If repairs or replacement are not made within two (2) years after the date of the physical loss, **we** will pay only the **actual cash value**.

**(a) Our obligations for replacement cost will be the smaller of:**

- (1) The cost to repair the damaged property; or
- (2) The cost to replace or rebuild with new materials of like size, kind and quality; or
- (3) The selling price on the date of loss of property, other than stock, offered for sale, less all saved expenses; or
- (4) The applicable limit of liability.

**We** will not pay for any increase in cost due to **your** failure to use reasonable speed to repair, rebuild or replace the damaged property.

If the replacement occurs at another location, **we** will not pay for the cost of land at either the original or the new location.

**(b) We** will pay **replacement cost** for these types of property:

- (1) Raw materials, supplies and other merchandise not manufactured by **you**; and
- (2) Leasehold improvements in which **you** have an insurable interest.

(c) For the following types of property **We** will pay; "agreed value" if the valuation type on the **Inland Marine** schedule is shown as agreed value; or **We** will pay the lesser of **actual cash value** or 110% of the value reported on the applicable schedule:

- (1) **Communications Equipment;**
- (2) **Contractor's /Mobile Equipment;**
- (3) **Fine Arts;**
- (4) **Watercraft;**
- (5) **Emergency Service Portable Equipment;**
- (6) **Other Inland Marine;** or
- (7) **Rented, Borrowed or Leased Equipment;**
- (8) **Vehicles scheduled under Item U of the property extensions of coverage**

C. Loss to these types of **covered property** will be valued at the time and place of loss as follows:

1. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges;
2. On finished goods manufactured by **you**, the regular cash selling price at the location where the loss happens, less all discounts and charges to which the merchandise would have been subject had no loss occurred;
3. On **Valuable Papers**, in case of loss, valuation shall be based on the lesser of:
  - (a) The cost to repair or restore the valuable paper or record to the condition that existed immediately prior to the insured event; or
  - (b) The limit of liability shown in the DECLARATIONS, or
  - (c) If the damaged or destroyed property cannot be replaced, restored or repaired with similar kind and quality, it will be the value of blank paper, unless the item is specifically scheduled and value scheduled agreed upon in this Coverage Agreement.
4. On **media, data**, programs or any **software** stored on electronic, electromechanical, electromagnetic **data processing equipment** or production equipment, the cost to repair, replace or restore such to the condition that existed immediately prior to the loss or damage, including the cost of reproducing any **data**, programs or **software** contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$100,000 any one **occurrence**, incurred by **you** in recreating, gathering and assembling such **data**, programs or **software**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Coverage Agreement does not insure any amount pertaining to the value of such **data**, programs or **software** to **you** or any other party, even if such **data**, programs or **software** cannot be recreated, gathered or assembled.
5. On exposed film, the value of the blank film.

#### SECTION VI - CONDITIONS

A. Coverage agreement Period and Territory. **We** will pay for a **covered loss** during the **Coverage Agreement period** shown on the DECLARATIONS while that property is:

1. Within the State of Florida;
2. Being moved on land or in the air within the United States of America or;
3. Being moved on inland waters and intercoastal waterways within the United States of America.

B. Change of Terms

The terms of this coverage will not be waived, changed, or modified except by written endorsement issued by us and which becomes a part of this Coverage Agreement.

### C. Titles of Paragraphs

The titles of the paragraphs of this Coverage Agreement and of any endorsements attached to it are only for reference. They do not affect the terms to which they relate.

### D. Concealment, Misrepresentation or Fraud

This Coverage Agreement is void in any case of fraud by **you** as it relates to this Coverage Agreement at any time. It is also void if **you** or any other Covered Parties, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Agreement;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Coverage Agreement.

### E. Brands and Labels

In the event of a **covered loss** to branded or labeled merchandise, **we** may choose to take title to all or any part of that merchandise, at the value established by the terms of this Coverage Agreement. **You** may, at **your** expense:

1. Stamp "salvage" on the merchandise or its containers; or,
2. Remove or obliterate the brands or labels if such removal or obliteration will not physically damage the merchandise. **You** must relabel the merchandise or containers in compliance with the requirements of law.

### F. Breach of Condition

A breach of any condition of this Coverage Agreement at any **covered location** will not affect coverage at any other **covered location** where, at the time of damage, no breach exists.

### G. Abandonment of Property

**You** may not abandon property to **us**.

### H. No Benefit to Bailee

No person or organization, other than **you**, having custody of **your covered property**, will benefit from this Coverage Agreement.

### I. Suit

No suit or other legal proceeding will be brought against **us** unless there has been full compliance with all the Coverage Agreement terms and conditions. Suit must be brought within five years after the date on which the direct physical loss occurred or the shortest time permitted by law.

### J. No Reduction by Loss

Except for those coverages written with an annual aggregate **limit of liability** or sublimits of liability, **we** will pay for a **covered loss** without reducing any other applicable **limit of liability** or sublimits of liability.

### K. Your duties after a Loss

In case of loss **you** will:

1. Give **us** immediate written notice of the loss;
2. Give notice of such loss to the proper authorities if the loss may be due to a violation of the law;

3. As soon as possible, give **us** a description of the property involved and how, when and where the loss happened;
4. Take all reasonable steps to protect the **covered property** from further damage
5. Promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination;
6. Furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity and amount of loss claimed under the valuation provision of the Coverage Agreement;
7. Keep an accurate record of all repair costs;
8. Keep all bills, receipts and related documents that establish the amount of loss;
9. As often as may reasonably be required:
  - (a) Permit **us** to inspect the damaged property and take samples for inspection, testing and analysis.
  - (b) Produce for inspection and copying, all of **your** books of account, business records, bills and invoices.
  - (c) Permit **us** under oath to question **you** and any of **your** agents, employees, or representatives involved in the purchase of this coverage or the preparation of **your** claim, and verify **your** answers with a signed acknowledgment.
10. Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing:
  - (a) A signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:
    - (1) The time and cause of the loss;
    - (2) **Your** interest and the interest of all others in the property involved;
    - (3) Any other policies of insurance that may provide coverage for the loss;
    - (4) Any changes in title or occupancy of the property during the **coverage agreement period** and;
    - (5) The amount of **your** claimed loss.
  - (b) **You** shall also submit with the Proof of Loss:
    - (1) The inventory referred to in K.6.
    - (2) The records specified in K.7. and K.8;
    - (3) Specifications for any damaged buildings and;
    - (4) Detailed estimates for the repair of any damages.
11. Cooperate with **us** in the investigation and adjustment of the loss.

#### L. Appraisal

1. If **you** fail to agree with **us** on the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within thirty (30) days of the written demand for appraisal.
2. The two appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a court of record in the state where the **covered loss** happened, to select an umpire.
3. The appraisers will then set the amount of the loss. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will set the amount of loss.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.

#### **M. Our Options**

At **our** option, **we** will repair, rebuild or replace damaged **covered property** with other property of like kind and quality within a reasonable period of time. If **we** elect to repair or replace the **covered property**; **we** will notify **you** of that decision within sixty (60) days of **our** receipt of **your** proof of loss. **We** will, at **our** option, take title to all or any part of the damaged or destroyed property at the agreed or appraised value.

#### **N. Right to Adjust with Owner**

1. **Covered losses** will be adjusted with **you** except as provided in Condition **S. Mortgage Holders**.
2. If a claim is made for damage to **covered property** of others that **you** hold **we** will have the right to adjust that loss or damage with the owners of that property. **Our** payment to the owners will fully satisfy any claim of **yours** for damage to that property.

#### **O. Collection from Others**

Payment to **you** for a **covered loss** will be reduced to the extent **you** have collected that loss from others.

#### **P. Payment of Loss**

**We** will pay the **covered loss** within thirty (30) days after **we** receive and accept the signed, sworn Proof of Loss, if:

1. **You** have complied with all the terms of this Coverage Agreement;
2. **We** have reached agreement with **you** on the amount of **covered loss**, or
3. An appraisal award is made as provided for in Condition **L. Appraisal**.

#### **Q. Recovered Property**

If either **you** or **we** recover any **covered property** after **we** have paid for its loss, that party must give the other prompt written notice of the recovery. If **we** recover the **covered property**, **we** will return it to **you**, if **you** so request. **You** must then return the amount **we** paid to **you** for it.

If **you** recover the **covered property**, **you** may either keep it or surrender it to **us**. If **you** choose to keep it, **you** must return the amount **we** paid to **you** for it.

#### **R. Pair, Set or Parts**

In the event of a **covered loss** to an article that is part of a pair or set, **our** payment for that loss will be:

1. The cost to repair or replace any part to restore the pair or set to its value before the **covered loss**; or
2. The difference between the value of the pair or set before and after the **covered loss**. In no event will the loss of part of a pair or set be regarded as a total loss of the pair or set. When **covered property** consists of several parts, **we** will pay only for the lost or damaged part.

#### **S. Mortgage Holders**

1. **We** will pay for **covered loss** to buildings or structures to each mortgage holder shown on the Schedule of Mortgage Holders or Loss Payees, as their interests may appear.
2. A mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
3. If **we** deny **your** claim because of **your** acts or because **you** have failed to comply with the terms of this Coverage Agreement, the mortgage holder will still have the right to receive loss payment, up to the amount of their insurable interest, but in no event more than the applicable **limit of liability**, if the mortgage holder:
  - (a) Pays any premium due under this Coverage Agreement at **our** request;
  - (b) Submits a signed, sworn proof of loss within sixty (60) days after receiving notice from **us** of **your** failure to do so; and,
  - (c) Has notified **us** of any change in ownership, occupancy, or substantial change in risk known to the mortgage holder.

All terms and conditions of this Coverage Agreement will then apply directly to the mortgage holder.

4. If **we** pay the mortgage holder for any **covered loss** and deny payment to **you** because **you** have failed to comply with the terms of this Coverage Agreement:
  - (a) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount **we** pay; and
  - (b) The mortgage holder's right to recover the full amount of the mortgage claim will not be impaired. In the event of a **covered loss**, **we** will, at **our** option, pay the mortgage holder the whole principal of **your** mortgage plus any accrued interest. In that event, **your** mortgage and note will be transferred to **us**, and **you** will pay **your** remaining mortgage debt to **us**.
5. If **we** cancel or non-renew this Coverage Agreement, **we** will give the mortgage holder the same notice **we** give to **you**.
6. The term "mortgage holder" includes trustees.

#### T. Loss Payee

In the event of a **covered loss** to property in which both **you** and a loss payee have an insurable interest, **we** will:

1. Adjust the **covered loss** with **you**; and,
2. Make payment for the **covered loss** to **you** and the loss payee jointly, as their interests may appear.

#### U. Inspection

1. During the period of this Coverage Agreement, **we** will be permitted, but not obligated, to inspect the **covered property**. Neither **our** right to make inspections, nor making them, nor any report of them, will imply for **you** or others, nor constitute an undertaking, that the **covered property** is safe, healthful, or in compliance with laws, regulations, codes or standards.
2. This condition does not apply to any inspections, surveys, reports or recommendations **we** may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

**We** will have no liability to **you** or others because of any inspection or failure to inspect.

### SECTION VII - EXTENSIONS OF COVERAGE

If marked with an "X" in the DECLARATIONS, **we** will not pay more than **our** proportion of the applicable limit of liability shown on the Property and Inland Marine Coverage Part Declaration for the following EXTENSIONS OF COVERAGE:

Subject to all terms and conditions of this agreement, the coverage provided by this agreement is extended to apply to a **covered loss** as follows:

#### A. Accounts Receivable

1. **We** will pay the following expenses directly resulting from a **covered loss** to **your** records of accounts receivable at a **covered location**:
  - (a) Amounts due **you** from customers that **you** are unable to collect;
  - (b) Interest charges on any loan to offset amounts **you** are unable to collect, pending **our** payment of those amounts;
  - (c) Collection expense above **your** normal collection expense; and,
  - (d) Reasonable expenses **you** incur to re-establish **your** records of accounts receivable.
2. Amount of Loss
  - (a) If **you** are unable to accurately determine the amount of outstanding accounts receivable at the time of loss, **our** payment will be calculated in the following manner:
    - (1) **Your** average monthly accounts receivable amount, based on the twelve (12) months preceding the loss, adjusted for normal fluctuations in the month in which the loss occurs, or for any demonstrated variance for that month.

(b) The following will be deducted from the total amount of accounts receivable, regardless of the method used to determine that amount:

- (1) Balances for accounts not damaged or affected by the loss;
- (2) Amounts of accounts **you** are able to re-establish and collect;
- (3) An allowance for bad debts **you** are not normally able to collect.
- (4) All unearned interest and service charges.

3. For the purposes of this extension, the following additional exclusions apply and **we** will not pay for:

- (a) Any loss that requires an audit or inventory to establish its existence;
- (b) Any fraudulent, dishonest or criminal act done by:
  - (1) Anyone entrusted with the **covered property**, including their employees and agents; or
  - (2) Anyone having an interest in the **covered property**.

This exclusion does not apply to the acts of a carrier for hire;

- (c) Bookkeeping, accounting, or billing errors or omissions;
- (d) Wrongful alteration, falsification, manipulation, concealment, destruction, or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, getting, or withholding of money, securities, or other property; or
- (e) Taxes or Bond revenue.

4. For the purposes of this extension, the following additional conditions apply:

- (a) When **you** are not open for business, or when **you** are not actually using them, all records of accounts receivable are to be kept in appropriate, fire-resistant receptacles.
- (b) When records of accounts receivable have been damaged or destroyed, **you** must use all reasonable efforts, including legal action if necessary, to obtain collection of any outstanding accounts receivable, and **we** will pay such costs and expenses of obtaining collection to the extent they reduce **your** loss.
- (c) When records of accounts receivable have been damaged or destroyed, **you** will use any property or service owned or controlled by **you** or obtainable from other sources in order to reduce **your** loss.

## **B. Animals**

**We** will pay for all owned animals killed in a **covered loss** at a **covered location**. **We** will also pay for the in-line of duty death of a certified police canine or horse owned by **you**.

**Your** deductible for this extension is the lower of \$500 or the amount shown in the Declarations. No veterinary costs are included in this extension.

## **C. Buildings Under Construction**

**We** will pay for any one **occurrence** for insured physical loss or damage to **your** buildings that are under construction. **Your** schedule must indicate any ongoing or intended construction projects.

Buildings Under Construction include:

- 1. New buildings being erected at a **covered location**;
- 2. Additions to any buildings already covered under this agreement; or
- 3. Renovations to any buildings included in the schedule.
- 4. New buildings being erected at sites other than a **covered location**, subject to final contract value any one construction project limit of \$25,000,000.

#### **D. Debris Removal Expense:**

1. **We** will pay for the expense to remove the debris from a **covered loss** at a **covered location**. **We** will only pay these expenses if **we** receive immediate written notice of the **covered loss** and if these expenses are reported to us in writing within one hundred and eighty (180) days of the date of the **covered loss** or the end of the **coverage agreement period**, whichever is earlier.
2. **We** will pay for expenses to remove from **covered locations** storm blown debris of property not covered by this Coverage Agreement, excluding trees, timber, shrubs, or landscaping originating from **your** location(s).
3. Debris removal expense does not include any costs to clean up or remove:
  - (a) **pollutants**;
  - (b) **asbestos**; or
  - (c) debris in or on easements, right-of-ways, streets, roads, water or beaches that are not **covered locations**.

#### **E. Demolition Cost, Operation of Building Laws and Increased Construction Cost:**

1. In the event of a **covered loss**, **we** will pay:

##### **(a) Demolition Cost:**

The cost incurred to demolish all or part of **your covered Real Property**, including the cost to clear the site, if any law or ordinance that exists at the time of loss requires such demolition.

##### **(b) Operation of Building Laws:**

The cost **you** incur to rebuild at the same location any undamaged part of **your Real Property**, which is required by law to be demolished after a **covered loss**. **We** will only pay the costs to satisfy the minimum requirements of the applicable law or ordinance that exist at the time of the loss.

##### **(c) Increased Construction Cost:**

The increased cost **you** incur for materials and labor required to rebuild the damaged portion of **your Real Property** at the same location and in a manner that satisfies the minimum requirements of the applicable law or ordinance existing at the time of the loss.

##### **(d) We will not pay for any:**

- (1) Of these costs unless they are incurred within two (2) years from the date of loss.
- (2) Loss due to any law or ordinance that:
  - i. **You** were required to comply with before the loss, even if the building was undamaged; and
  - ii. **You** failed to comply with.
- (3) Cost of demolition, abatement, removal, cleanup, debris removal, repair, monitoring or testing, increased cost of repair or other cost resulting from enforcement of any such law or ordinance which relates to **pollution**.

#### **F. Duty to Defend**

**We** will defend that part of any suit against **you** involving personal property of others when all of the following conditions exist:

1. The suit seeks payment for physical loss or damage to the **personal property** of others; and
2. The physical loss or damage is caused by a **peril insured against**; and
3. The physical loss or damage takes place while the **personal property** of others is in **your** custody; and
4. The personal property of others is the type of property covered by this **Coverage Agreement**.

**We** will do so even if such suit is groundless, false or fraudulent, but **we** may, without prejudice, make such investigation, negotiation and settlement of any claim or suit, as **we** deem appropriate.

## G. Errors and Omissions

It is a material requirement of this agreement that the Covered Party accurately report the values of the property for which it seeks coverage at the locations within the Coverage Agreement territory where that property is located. Subject to this requirement, **we** will not preclude coverage for damage at a particular location where the Covered Party or its producer made an error or unintentional omission:

1. In the description or location of item(s) of property in the most recent **Schedule of DECLARATIONS** or documentation submitted to and accepted by **us**, provided that the item is the type covered under the Coverage Agreement and the error or omission is not greater than the limit set forth in the Declarations.
2. In the **Schedule of DECLARATIONS** so that the report omitted a location owned or occupied by the Named Covered Party at the inception date.

Any such error or unintentional omission shall be reported promptly on discovery and additional premium paid from Coverage Agreement inception. The limit shown in the Declarations is the maximum amount of indemnity for any occurrence. This coverage does not apply to inland marine, automobile or if coverage is found in whole or in part elsewhere in this agreement.

## H. Expediting Expenses:

1. **We** will pay, in the event of a **covered loss**, for the reasonable extra costs of temporary repair to **covered property** or of expediting the permanent repair or replacement of that property, whichever is less. These expenses include overtime wages and extra costs for rapid means of transportation.
2. **We** will not pay for temporary rental of property or temporary replacement of damaged property.

## I. Fire Department Charges:

**We** will pay charges **you** incur when an outside fire department is called to save or protect **covered property** from a **covered loss**.

## J. Fungus Cleanup Expense:

1. This limited coverage applies only when the **fungus**, wet or dry rot, or bacteria is the result of one or more of the following causes that occurs during the coverage agreement period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that **occurrence**, and only if any loss resulting from the following is reported to us within 60 days of the **occurrence**.
  - (a) A covered loss other than fire or lightning; or
  - (b) Flood, if the Flood Coverage endorsement PGIT MN-107 applies to the affected premises.
2. Under conditions described in 1. above, **we** will pay for loss or damage by **fungus**, wet or dry rot or bacteria. As used in this coverage, the term damage means:
  - (a) Direct physical loss or damage to covered property caused by **fungus**, wet or dry rot or bacteria, including the cost of removal of **fungus**, wet or dry rot or bacteria;
  - (b) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungus**, wet or dry rot or bacteria; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that **fungus**, wet or dry rot or bacteria are present.
3. Regardless of the number of claims, the limit shown in the Declarations is the most **we** will pay for the total of all loss or damage arising out of all occurrences which take place during the Coverage Agreement Period. **We** will not pay more than this amount even if the **fungus**, wet or dry rot or bacteria continues to be present or active, or recurs, in a later Coverage Agreement Period.
4. The coverage provided under this part does not extend the available coverage at a location beyond the amount scheduled for that location.
5. **Fungus** Cleanup expense does not include any costs to clean up or remove **pollutants**.
6. **Fungus** Cleanup expense will be considered part of the original occurrence, and no separate deductible will apply.

**K. Lawns, Plants, Trees or Shrubs:**

**We will pay for a covered loss to lawns, plants, trees and shrubs at a covered location from a specified peril, excluding loss or damage caused by freezing, disease, insects, animals, vermin or drought**

**We will not pay more than the lesser of the following:**

1. The applicable limit of liability shown on the Extension of Coverages Property part on the DECLARATIONS; or
2. The amount of the total value of the building and contents at that **covered location**.

**L. Leasehold Interest**

**We will pay for loss of covered leasehold interest you sustain due to the cancellation of your lease. The cancellation must result from a covered loss to a covered location. Covered leasehold interest means the following:**

The difference between:

1. The rent **you** pay at the described premises including taxes, insurance, janitorial or other service that **you** pay for as part of the rent; and
2. The rental value of the described premises that **you** lease.

The most **we** will pay for loss because of the cancellation of any one lease is **your** covered leasehold interest at the time of loss. **Your** covered leasehold interest decreases automatically each month. A proportionate share applies for any period of time less than a month.

**N. New Locations:**

**New Locations** are covered for coverages marked with an "X" in **Section I.B.** Coverages of PGIT MN-104 Property and Inland Marine Coverage Form and coverages provided by endorsement for the first sixty (60) days after the date of acquisition. During that period, the **covered party** shall submit to us a written report stating the location, occupancy, the full **replacement cost**, including Loss of Business Income and any other Time Element Values for the location, and other coverage in force at that location. If **we** do not receive and accept that report within sixty (60) days the coverage for that Location shall cease at the end of the coverage period stated above.

Property newly constructed by the **covered party** during the **coverage agreement period** does not qualify under this paragraph unless the construction project complied with the terms of Extension of Coverage Item C.

Upon notification to and acceptance by us any **New Location**, the same limits will apply as though the location had been acquired and disclosed prior to Coverage Agreement inception. **We** shall be permitted but not obligated to inspect the **New Location**. During the current Coverage Agreement period, **we** will not charge an additional premium for new locations if the location is acquired after the inception date of the Coverage Agreement. If the newly added location was owned or acquired prior to the inception date of the Coverage Agreement then premium is due at the time the location is added.

**O. Personal Property of Employees:**

1. **We will pay for loss by a peril insured against to the Personal Property (other than automobiles) of your employees when such property is at a covered location or being used by the employee in the course of employment.**
2. **We will not pay for any loss to such property that occurs at the employee's residence.**

With respects to this extension, volunteers are not considered employees and there is no coverage for **Personal Property** of volunteers.

**P. Pollution Cleanup Expense:**

1. **We will pay to remove pollutants from covered property at a covered location if the pollution results from a specified peril.**
2. **If pollution results from a peril insured against, we will pay:**
  - (a) To remove **pollutants** from land, soil, surface or ground water upon, within, beneath or comprising a **covered location**; or,
  - (b) For testing performed in the course of extracting the **pollutants** from **covered locations**.

**We will pay for removal or testing after a covered loss that occurs during the coverage agreement period.**

**We** will only pay these expenses if **we** receive immediate written notice of the **covered loss** and if these expenses are reported to us in writing within one hundred and eighty (180) days of the date of the **covered loss** or the end of the **coverage agreement period**, whichever is earlier.

**Q. Professional Fees:**

1. **We** will pay for the reasonable costs **you** incur, for auditors and accountants who undertake to accurately determine the details of **your** business in order to determine the extent of a **covered loss**.
2. Professional fees do not include:
  - (a) any fees or expenses of attorneys;
  - (b) any fees or expenses of public adjusters or any of their subsidiaries or associated entities;
  - (c) fees based on a contingency; or
  - (d) the cost of **your** own employees.

**R. Recertification of Equipment**

**We** will pay the necessary costs or expenses **you** incur to recertify portable fire fighting, ambulance or rescue -related scheduled inland marine **you** own, when such equipment is damaged in a **covered loss**.

**S. Service Interruption Coverage**

In the event a cause of loss of the type covered hereunder directly causes damage to off-premises utility and power stations, substations, transformer or switching or pumping stations (including off-premises poles, towers, but excluding overhead transmission and distribution lines), **we** will pay for damage to **covered property** at a **covered location** directly resulting from interruption of electricity, steam, water, natural gas or refrigeration.

However, **we** will not pay for any direct physical loss due to any interruption of service from a satellite, regardless of cause.

**T. Transit**

**We** will pay for loss to **your** covered **personal property** or inland marine while in transit, including **your** covered **personal property** in the custody of messengers or salespeople

**U. Vehicles as Scheduled Property**

**We** will pay for loss to **your** vehicles, when damaged by a **covered loss**, regardless of the location. The Named Storm deductible from PGIT MN-122 applies per vehicle rather than per location.

**V. Preservation of Property**

In the event of any actual or imminent physical loss or physical damage of the type insured against by the Coverage Agreement, the cost or expenses incurred in taking reasonable and necessary measures for the temporary protection and/or preservation of property insured shall be added to the total physical loss and/or physical damage amount otherwise payable under the Coverage Agreement but without increasing the applicable limits or sublimits of liability stated in the Coverage Agreement. There must be an actual physical loss to the building or structure at the scheduled location in order for this coverage to apply.

**W. Property at Miscellaneous Unnamed Locations**

**We** will pay for a **covered loss** to **property at miscellaneous unnamed locations** that were unintentionally omitted from the most recent **Schedule of the DECLARATIONS** subject to the limit shown on the Declarations. The limit shown in the Declarations is the maximum amount of indemnity for any one occurrence. This coverage does not apply to inland marine, automobile or if coverage is found in whole or in part elsewhere in this agreement. Any such error or unintentional omission shall be reported promptly on discovery and additional premium paid from Coverage Agreement inception.

**SECTION VIII - DEFINITIONS**

**A. Accident** means a fortuitous event that causes direct physical damage to **covered equipment**. The event must be one of the following

1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;

2. Artificially generated electric current, including electrical arcing, that damages electrical devices, appliances or wires;
3. Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines;
4. An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;
5. An event inside hot water boilers or other heating equipment that damages such equipment; or
6. Bursting, cracking or splitting.

**B. Actual cash value** means **replacement cost** less deduction for depreciation.

**C. Additional Expense** means necessary expenses **you** incur during the **period of restoration** that **you** would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

1. Avoid or 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.

**D. Business income** means:

1. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and;
2. Continuing normal operating expenses incurred, including payroll.

**E. Coverage agreement period** means the time during which coverage is provided by this Coverage Agreement.

**F. Covered Equipment** means the following unless specified otherwise in an endorsement to this Coverage Agreement:

1. Equipment at a **covered location** that generates, transmits, or utilizes energy including electronic communications and **electronic data processing equipment**.
2. Equipment at a **covered location** which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

**G. Covered location** means those locations shown on the **Schedule of the DECLARATIONS** or on the Schedule of any endorsement to this Coverage Agreement.

**H. Covered loss or loss** means a loss to **covered property** at a **covered location** resulting from a **peril insured against** by this Coverage Agreement.

**I. Covered property** means property covered by this Coverage Agreement.

**J. Data** means any information recorded on **media** and used in **your** processing operations.

**K. Earth movement**, whether natural or man-made, includes but is not limited to:

1. Earthquake;
2. Landslide;
3. Mudflow; or
4. Sinking, rising or shifting of the earth.

**L. Effective Date** means the day and time at which the coverage provided by this Coverage Agreement begins.

**M. Flood** means: rising waters; waves; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom, surface waters or sewer backup resulting from any of the foregoing; regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, the following are not considered to be loss by **Flood** within the terms and conditions of this Coverage Agreement:

1. physical damage by fire, explosion or sprinkler leakage resulting from **Flood**
2. physical damage by wind driven water and/or storm surge associated with or occurring in conjunction with a **Named Storm**

**N. Fungus** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

**O. Inland Marine** means scheduled:

1. **Communications Equipment** - **your** stationary or portable communications equipment while at **your covered location** or away from **your covered location** during authorized use.
2. **Contractor's/Mobile Equipment** - **your** stationary or portable machinery and tools while at **your covered location** or away from **your covered location** during authorized use.
3. **Electronic Data Processing Equipment** - **your** programmable electronic equipment that is used to store, retrieve and process **data**, as well as associated peripheral equipment that provides communication including input and output functions such as printing, or auxiliary functions such as data transmission.
4. **Emergency Service Portable Equipment** - **your** portable fire fighting, ambulance or rescue related equipment, excluding aircraft and **watercraft**.
5. **Fine Arts** - **your** art, sculptures, rarities, or antiquities, owned by **you** or in **your** care, custody and control.
6. **Other Inland Marine** - **your** outdoor radio or television antennas, streetlights, traffic control lights and signs, flagpoles, outdoor signs, markers, fire hydrants, parking meters, fences (excluding guardrails) and other portable equipment not otherwise classified.
7. **Rented, Borrowed or Leased Equipment** - items in **your** care, custody or control that **you** assume responsibility for through a formal arrangement.
8. **Valuable Papers** - **your** books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other **data** processing, or recording or storage media. **We** will pay for the cost of research, up to the scheduled limit, due to a loss of valuable papers caused by a covered cause of loss.
9. **Watercraft** - **your** owned scheduled vessels, not exceeding 25 feet in length, designed for operation in or on any waterway, for **Specified Perils** only, excluding collision with another object.
10. **Unscheduled Blanket Inland Marine** - **your** unscheduled inland marine as defined in items 1 through 8 above subject to a maximum any one item of \$25,000.

**P. Limits of liability** means the maximum amount **we** will pay for a **covered loss**.

**Q. Media** means the medium on which **data** or **software** is stored, such as: magnetic tape, perforated paper tape, punch cards, discs, drums, and other storage devices used in **your electronic data processing equipment**.

**R. Named Storm** means the direct action of wind, including wind driven water and storm surge when associated with or occurring in conjunction with a storm or weather disturbance which is named by the National Weather Bureau, National Hurricane Center or any other recognized meteorological authority. All **Named Storm** events that occur within a continuous seventy-two (72) hour period will be considered a single **occurrence**.

**S. Necessary expenses** means expenses in excess of normal operating expenses, **you** incur in reducing your loss of **business income**. **We** will not pay more than **we** would pay if **you** had been unable to make up lost production or continue operations or services.

**T. New locations** means:

1. **Real Property** **you** purchase or rent including **Personal Property** at that location;
2. **Real Property** **you** begin to build; or
3. **Inland Marine** **you** purchase.

after the **effective date** of this Coverage Agreement.

**U. Occurrence** means a sudden, identifiable, fortuitous event that result in a **covered loss** or series of events directly resulting from a **covered loss**.

**V. Over the road coverage** means while vehicle is being driven or is in the course of traveling from one location to another.

**W. Peril(s) insured against** means risk of direct physical loss or damage from any cause except as excluded within the Coverage Agreement.

**X. Period of restoration means;**

**1. For buildings and equipment, the period of time which:**

- (a)** starts at the time of a **covered loss** and,
- (b)** ends when using reasonable speed the building and equipment could be:
  - (1)** repaired or replaced; and
  - (2)** made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage.

**(c) For buildings under construction:**

- (1) We** will apply the time period defined in **1.** above to the level of business that would have been reasonably achieved after construction and start-up would have been completed had no physical damage happened; and
- (2) We** will give consideration to the actual experience of the business after completion of the construction and start-up.

**2. For stock in-process and mercantile stock, including finished goods not manufactured by you, the time required using reasonable speed:**

- (a)** To restore stock in process to the same state of manufacture which existed at the beginning of the interruption of production or suspension of business operations or services; and
- (b)** To replace physically damaged mercantile stock.

**3. For raw materials and supplies, the period of time:**

- (a)** Of actual interruption of production or suspension of operation or services which resulted from **your** inability to get suitable replacement raw materials and supplies to replace similar ones damaged; but
- (b)** Limited to that period for which the damaged raw materials and supplies would have satisfied operating needs.

**4. The time required using reasonable speed to copy physically damaged or exposed film, records, manuscripts and drawings from backup or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.**

**5. The time required using reasonable speed to restore the physically damaged or destroyed data, programs, or other software from backup. This time does not include research engineering or any other time necessary to restore or recreate lost information.**

The period of restoration does not include any additional time due to **your** inability to resume operations for any reason, including but not limited to:

- (a)** Making changes to equipment.
- (b)** Making changes to the buildings, or structures, except as provided in the Demolition Cost, Operation of Building Laws and Increased Construction Cost provision if coverage is shown on form in Section VII Extensions of Coverage included in this Coverage Agreement.
- (c)** Restaffing or retraining employees.
- (d)** Any law or ordinance that requires testing, monitoring, clean up, removal, decontamination, treatment, detoxification or neutralization of, or any other response to **pollution** or **pollutants**.

The expiration of this Coverage Agreement will not terminate the period of restoration. The period of restoration will not exceed 24 months from the date of loss and will not be limited by the expiration of this Coverage Agreement

**Y. Personal property means:**

- 1. Personal Property you own;**
- 2. Improvements and betterments you have made in buildings you do not own;**
- 3. Your legal liability to the owner of Personal Property in your custody for physical damages to that property resulting from a covered peril under this Coverage Agreement.**

**Z. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, fiber, smoke, vapor, soot, fumes, acids, alkalis, chemicals, biological, organic or bacterial agents and waste.**

"Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed. However, **pollutants** does not include ammonia or asbestos.

**AA. Pollution** means the presence, discharge, dispersal, seepage, migration, release or escape of any **pollutants**.

**BB. Property in the open** means:

1. Fixtures, including outdoor fixtures
2. Permanently installed outdoor machinery and equipment
3. Outdoor furniture
4. Outdoor open air pavilions
5. Permanently installed outdoor recreational courts, nets, goals, bleachers, benches and playground equipment.
6. Property in the open does not include buildings, structures or real property within 1,000 feet of (1) property on the Schedule of the DECLARATIONS; or (2) shown on the statement of values that **you** provide **us**, the function of which is unrelated to or not incidental to the normal operation of (1) property on the Schedule of the DECLARATIONS; or (2) shown on the statement of values that **you** provide **us**.

**CC. Real Property** means buildings and any other structure, including:

1. Attached additions, extensions, permanent fitting or fixtures; and
2. Machinery and equipment used to service the buildings;
3. Yard fixtures.

**DD. Replacement cost** means the cost to replace **covered property**:

2. With new materials of like kind and quality and used for the same purpose; and
3. At the location where the loss happened.

But **replacement cost** excludes any increased cost of repair or reconstruction by reason of any law or ordinance regulating construction, repair or use.

**EE. Schedule of the DECLARATIONS** is the schedule of values reported to and on file with **us**, or attached to this Agreement, and the limits and sub-limits shown in the DECLARATIONS.

**FF. Sinkhole collapse** means loss to **covered property** resulting from the sudden sinking or collapse of any land into naturally occurring underground empty spaces created by the action of water on limestone or similar rock formations. Coverage for **sinkhole collapse** does not include the cost of filling sinkholes.

**GG. Software** means programs stored on **media** that instruct **electronic data processing equipment** how to process **data**.

**HH. Specified perils** means direct physical loss or damage caused by or resulting from:

1. Fire;
2. Lightning;
3. Aircraft;
4. Explosion, except for **Watercraft** while in the water;
5. Riot;
6. Civil commotion;
7. Smoke;
8. Vehicles;
9. Windstorm or hail to property contained in any building;
10. Malicious mischief;
11. Leakage or accidental discharge from automatic fire protection system;
12. Collapse, except for **Watercraft** while in the water; or
13. Theft, except for **Watercraft** while in the water.

**II. Volcanic activity** means loss to **covered property** directly resulting from:

1. Airborne volcanic blast or shockwaves;
2. Ash, dust, or particulate matter all resulting from volcanic blast;
3. Lava flow.

All **volcanic activity** resulting from eruptions occurring within any 168 hour period will constitute a single occurrence.

**JJ. We, us and our(s)** means the Trust issuing this agreement, as shown on the DECLARATIONS.

**KK. Wind** means the direct action of the movement of air at any velocity including any substance driven by the movement of the air.

**LL. You and your(s)** mean the named covered party shown on the DECLARATIONS

**MM. Property at Miscellaneous Unnamed Locations** means any unscheduled miscellaneous **real property** situated within the policy territory that does not have an official designated address and does not fit the definition of a **New Location** under the terms of this coverage agreement.



## PUBLIC ENTITY PROPERTY

### FLOOD COVERAGE

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

This endorsement modifies coverage provided under the **PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104:**

#### EXCLUSION F.3.

- A. We will pay for direct physical loss to covered property caused by flood.**

All **flood** losses within a continuous 72-hour period will be considered a single **occurrence**. The expiration of this agreement will not reduce this 72-hour period.

- B. Limit of Liability**

The following **limits of liability** do not increase any other applicable **limit of liability**.

1. The most **we** will pay for any one **occurrence** of **flood** loss in any one **coverage agreement period** within a state or at a Location shown on the Schedule of this endorsement will be our proportion of the limit of liability shown in the Schedule of this endorsement.

#### Schedule

State or location

**FLORIDA**  
**ALL OTHER STATES**

Limit of Liability

**See DECLARATIONS**  
**No Coverage**

2. The most **we** will pay for all **flood** losses during any one **coverage agreement period** is \$100,000,000. This amount is the most **we** will pay for all aggregate claims for flood losses by all members of the trust. It is not a per member maximum.

- C. FLOOD DEDUCTIBLE**

\$5,000 any one occurrence except;

Property designated as being within **Flood Zone A** or **Flood Zone V** (and prefixes and suffixes thereof) by the Federal Emergency Management Agency (FEMA), or within a 100 Year Flood Plain as designated by the United States Army Corps of Engineers, will have a Special Flood Deductible equal to all flood insurance available for such property under the National Flood Insurance Program, whether purchased or not or 5% of the Total Insured Value at each affected location, whichever is greater. If such property is not eligible for the National Flood Insurance Program because the community in which the property is located does not participate in the National Flood Insurance Program, the Special Flood Deductible will be \$1,000,000 per insured location damaged in the flood occurrence or 5% of the Total Insured Value at each affected location whichever is greater.

In the event of a Flood both the Flood deductible and the Special Flood Deductible apply, then the Flood Deductible of \$5,000 any one occurrence will apply to locations not designated within **Flood Zones A and V** (and prefixes and suffixes thereof), and the Special Flood Deductible will apply to locations within **Flood Zones A and V** (and prefixes and suffixes thereof).

- D. ADDITIONAL DEFINITIONS**

#### **Flood Zone A**

Property will be determined to be within a Flood Zone A if it is within an area designated as such on a FEMA Flood Insurance Rate Map or a Flood Hazard Boundary Map. Flood Zone A will include, but not be limited to, all of the sub-classification of AO, AH, AE, AR, A1 through A30 and A99, or any other sub-classification with the **A** prefix or designation.

#### **Flood Zone V**

Property will be determined to be within A Flood Zone V if it is within an area designated as such on a FEMA Flood Insurance Rate Map or a Flood Hazard Boundary Map. Flood Zone V will include, but not be limited to, all of the sub-classification of VO, VH, VE, VR, V1 through V30 and V99, or any other sub-classification with the **V** prefix or designation.



## PUBLIC ENTITY PROPERTY

THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY.

### EARTH MOVEMENT COVERAGE

This endorsement modifies coverage provided under the PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104:

#### EXCLUSION F.2.

- A. We will pay for direct physical loss to covered property caused by sudden earth movement.**

All earthquake shocks within a continuous 72-hour period will be considered a single **occurrence**. The expiration of this agreement will not reduce this 72-hour period.

- B. Limit of Liability**

The following **limits of liability** do not increase any other applicable **limit of liability**.

The most **we will pay for all earth movement losses during any one coverage agreement period** is shown in the DECLARATIONS.

- C. Earth movement coverage under this endorsement does not apply to any underground piping, wiring, sewers, or any other conduit.**



## PUBLIC ENTITY SCHEDULE OF DEDUCTIBLES

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

This endorsement modifies coverage provided under the **PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104:**

**A. Deductible(s)**

Your deductibles for this agreement will be according to the terms of the following paragraphs, and information in the DECLARATIONS.

1. Unless shown differently on this form or any endorsement, **we** will not pay unless a **covered loss** from any one **occurrence** exceeds the amount shown on this form or any endorsement. **We** will then pay for the excess, up to any other applicable **limit of liability**. If a **covered loss** involves two or more deductibles, **we** will only use the largest of the applicable deductibles, except in respect to Flood, where both the Flood deductible and Special Flood deductible can apply to the same Flood event, or unless shown differently on this form or any endorsement.
2. **Earth Movement Deductible**
  - a. **We** will not pay for an **earth movement** loss within a state or at a location shown on EARTH MOVEMENT COVERAGE form PGIT MN-109 unless the loss exceeds deductible shown on the Earth Movement Schedule of this endorsement. **We** will then pay the amount of loss in excess of the deductible, up to the applicable **limit of liability** in any one **occurrence**.
  - b. A deductible of \$10,000 per **occurrence** applies to **covered property** in transit.

### Earth Movement Schedule

State or Location	Flat Deductible	Percentage Deductible
Florida	See DECLARATIONS	See DECLARATIONS

3. **Flood Deductible**
  - a. **We** will not pay for a **flood** loss within a state or at a location shown on FLOOD COVERAGE form PGIT MN-107 until the loss exceeds the applicable deductible shown on the Flood Schedule of this endorsement. **We** will then pay the amount of loss in excess of the deductible, up to the applicable **limit of liability** in any one **occurrence**.
  - b. A deductible of \$10,000 per **occurrence** applies to **covered property** in transit.

### Flood Schedule

State, Flood Zone, or Location	Flat Deductible
Florida	See DECLARATIONS and PGIT MN-107

4. **Named Storm Deductible**
  - a. **We** will not pay for a **named storm** event loss until the loss exceeds deductible shown in the DECLARATIONS. **We** will then pay the amount of loss in excess of the deductible, up to the applicable **limit of liability** in any one **occurrence**.

- b. A deductible of \$10,000 per **occurrence** applies to **covered property** in transit.
- c. Deductible applies per location, as defined by each itemized listing on the applicable schedule.
- d. For any Blanket Coverage listed on the applicable Inland Marine Schedule, the Deductible shall be calculated based upon the Total Insured Value, not on the per item value. For individually scheduled inland marine items, the deductible is calculated based upon the scheduled value of the item.
- e. **Loss of Business Income**, when not scheduled per location, will be added to the values of damaged locations pro-rata by the amount of actual **Loss of Business Income**.

Example:

5.0% Named Storm Deductible  
\$100,000 Loss of Business Income Limit

Location #1	Total Insured Value = \$100,000
Location #2	Total Insured Value = \$200,000
Location #3	Total Insured Value = \$300,000
Location #4	Total Insured Value = \$400,000

Assume a Named Storm caused the following covered loss:

Location #1	\$ 0
Location #2	\$20,000
Location #3	\$ 5,000
Location #4	\$25,000
Loss of Business Income	\$10,000

The Loss of Business Income would be allocated 40% to Location #2, 10% to Location #3, and 50% to Location #4 yielding:

Location	Deductible	Adjusted Loss	Payable
#2	\$10,000	$\$20,000 + \$4,000 = \$24,000$	\$14,000
#3	\$15,000	$\$5,000 + \$1,000 = \$6,000$	\$ 0
#4	\$20,000	$\$25,000 + \$5,000 = \$30,000$	\$10,000
TOTAL	\$24,000		



## PUBLIC ENTITY

### EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM

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

This endorsement modifies coverage provided under the **PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104**:

Words and phrases that appear in quotation marks have special meaning. Refer to **F. Equipment Breakdown Coverage Definitions**. These definitions supersede those in PGIT MN-104 as regards this endorsement.

**A. Equipment Breakdown Coverage Agreements**

1. **Equipment Breakdown – Covered Cause of Loss**  
Covered Cause of loss is a "Breakdown" to "**Covered Equipment**."
2. **Coverages Provided**

Each of the following coverages is provided if either a limit or the word Included is shown for that coverage in the **DECLARATIONS**. If neither a limit nor the word Included is shown, then that coverage is not provided.

These coverages apply only to that portion of the loss or damage that is a direct result of a Covered Cause of Loss.

**a. Property Damage**

We will pay for direct damage to "**Covered Property**" located at the premises described in the **DECLARATIONS**.

**b. Expediting Expenses**

With respect to direct damage to "**Covered Property**," we will pay for the extra cost **you** necessarily incur to:

- (1) Make temporary repairs; and
- (2) Expedite the permanent repairs or replacement of the damaged property.

**c. Loss of Business Income**

- (1) The coverage as otherwise provided by **Section II – Coverages**, paragraph **B.** is extended to include loss caused by a Covered Cause of Loss, subject to the limit shown in the **DECLARATIONS**.
- (2) If **you** have coverage for **Loss of Business Income** and:
  - (a) If a number of days is shown in the **DECLARATIONS** for Extended Period of Restoration Coverage, it will replace the five consecutive days in the definition of "**Period of Restoration**."
  - (b) If **you** have coverage for Ordinance or Law, then the "**Period of Restoration**" is extended to include the additional period of time required for demolition, removal, repair, remodeling or reconstruction.

**d. Additional Expense**

- (1) The coverage as otherwise provided by **Section II – Coverages**, Item **B.2 Additional Expense** is extended to include loss caused by a Covered Cause of Loss, subject to the limit shown in the **DECLARATIONS**.
- (2) If **you** have coverage for **Additional Expense** and:
  - (a) If a number of days is shown in the **DECLARATIONS** for Extended Period of Restoration Coverage, it will replace the five consecutive days in the definition of "**Period of Restoration**."
  - (b) If **you** have coverage for Ordinance or Law, then the "**Period of Restoration**" is extended to include the additional period of time required for demolition, removal, repair, remodeling or reconstruction.

e. Spoilage Damage

(1) We will pay for:

- (a) Your loss of "perishable goods" due to spoilage;
- (b) Your loss of "perishable goods" due to spoilage that is caused by or results from an interruption in utility services that is the direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. Coverage for such loss will begin 24 hours after the time the "breakdown" causes the interruption of the utility service; or

We will also pay any necessary expense you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "breakdown", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation provision of this Endorsement.

f. Utility Interruption

If you have coverage for **Loss of Business Income Additional Expense** that coverage is extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- (1) The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes, or provides utility services which you receive;
- (2) The "Covered Equipment" is used to supply electric power, communication services, air conditioning, heating, gas, sewer, water or steam to your premises; and
- (3) The interruption of utility services to your premises lasts at least the consecutive period of time shown in the DECLARATIONS. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

g. Newly Acquired Premises

We will automatically provide coverage at newly acquired premises you have purchased or leased. This coverage begins at the time you acquire the property and continues for a period not exceeding 60 days, under the following conditions:

- (1) You must inform us, in writing, of the newly acquired premises as soon as practicable;
- (2) You agree to pay us an additional premium as determined by us;
- (3) The coverage for these premises will be subject to the same terms, conditions, exclusions and limitations as other covered premises; and
- (4) If the coverages and deductibles vary for existing premises, then the coverages for the newly acquired premises will be the broadest coverage and highest limits and deductible applicable to the existing premises.

h. Ordinance Or Law Coverage

The following applies despite the Ordinance or Law Exclusion and provided these increase in loss are necessitated by the enforcement of any laws or ordinances that are in force at the time of the "Breakdown" which regulate the demolition, construction, repair or use of the building or structure. With respect to the building or structure that was damaged as a result of the "Breakdown":

(1) We will pay for:

- (a) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of undamaged parts of the same building or structure;
- (b) Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of such undamaged property; and

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

- (i) Repair or reconstruct the damaged or destroyed portions of the building or structure; and
- (ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area, and style for like occupancy, whether or not demolition is required on:
  - a. The same premises or on another premises if **you** so elect. However, if **you** rebuild at another premises, the most **we** will pay is the increased cost of construction that **we** would have paid to rebuild at the same premises; or
  - b. Another premises if the relocation is required by the ordinance or law. The most **we** will pay is the increased cost of construction at the new premises.

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

- (a) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;
- (b) Increase in loss until the damaged or destroyed buildings or structures are actually rebuilt or replaced and approved by the regulating government agency;
- (c) Loss due to any ordinance or law that:
  - (i) **You** were required to comply with before the loss, even if the building was undamaged; and
  - (ii) **You** failed to comply with;
- (d) Increase in the loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the "Breakdown"; or
- (e) Increase in loss resulting from a substance declared to be hazardous to health or environment by any government agency.

(3) If:

- (a) The building or structure is damaged by a "Breakdown" that is covered under this agreement;
  - (b) There is other physical damage that is not covered under this agreement; and
  - (c) The building damage in its entirety results in enforcement of ordinance or law;
- then **we** will not pay the full amount of the loss under this coverage. Instead, **we** will pay only that proportion of such loss, meaning the proportion that the covered "Breakdown" loss bears to the total physical damage.

But if the building or structure sustains direct physical damage that is not covered under this Endorsement and such damage is the subject of the ordinance or law, then there is no Ordinance Or Law coverage under this Endorsement even if the building has also sustained damage by a covered "Breakdown."

i. Errors and Omissions

We will pay for any loss or damage, which is not otherwise payable under this Coverage Part solely because of the items listed below:

- (1) Any error or unintentional omission in the description or location of property as insured under this Endorsement or any subsequent amendments;
- (2) Any failure through error to include any premises owned or occupied by **you** at the inception date of this Agreement; or
- (3) Any error or unintentional omission by **you** that results in cancellation of any premises insured by this Endorsement.

No coverage is provided as a result of any error or unintentional omission by **you** in the reporting of values or the coverage **you** requested.

It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The agreement premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.

j. "Data" or "Media" Coverage Extension

- (1) If "**Media**" is damaged or "**Data**" is lost or corrupted as a direct result of a "Covered Cause of Loss" and such "**Media**" or "**Data**" is located at a premises shown in the DECLARATIONS, **we** will pay the actual cost to:

- (a) Research, replace, recreate or restore the damaged "**Media**" or lost or corrupted "**Data**", and
- (b) Reprogram instructions used in any covered "Computer Equipment."
- (2) If you have selected to **Loss of Business Income** or **Additional Expense** Coverage, the applicable coverage is extended to cover the actual loss incurred during the time necessary to:
  - (a) Research, replace, recreate or restore the damaged "**Media**" or lost or corrupted "**Data**", and
  - (b) Reprogram instructions used in any covered "Computer Equipment."
- (3) There shall be no coverage for any loss or expense incurred due to damaged "**Media**" or lost or corrupted "**Data**" if the "**Data**" or "**Media**" cannot be replaced, recreated or restored. To the extent that electronic data is not replaced, recreated 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 a substantially identical type.

k. "**Fungus**," Wet Rot and Dry Rot Coverage Extension

(1) Property Damage

- (a) We will pay for loss or damage by "**Fungus**," wet rot, or dry rot only when the "**Fungus**," wet rot, or dry rot is the direct result of a "Covered Cause of Loss" that occurs during the Agreement period. As used in this Coverage, the term loss or damage means:  
 Direct physical loss or damage to "**Covered Property**" caused by "**Fungus**," wet rot, or dry rot including the cost:
  - (i) To treat, contain, or remove the "**Fungus**," wet rot, or dry rot;
  - (ii) To dispose of the "**Fungus**," wet rot, or dry rot;
  - (iii) To tear out and replace any "**Covered Property**" as needed to gain access to the "**Fungus**," wet rot, or dry rot; and
  - (iv) Of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "**Fungus**," wet rot, or dry rot is present.

(b) Limit

- (i) The most we will pay for coverage provided under this Coverage is \$15,000 per **Covered Location** per 12-month period starting with the effective date of this Agreement. With respect to a particular occurrence of loss which results in "**Fungus**," wet rot, or dry rot, we will not pay more than such limit even if the "**Fungus**," wet rot, or dry rot continues to be present or active or recurs in a later agreement period.
- (ii) If "**fungus**," wet rot, or dry rot results from damage by water as otherwise covered under this Endorsement, the limit in k.(1)(b)(i) is part of, not in addition to, the Water Damage Limitation Limit of Coverage.
- (iii) If "**fungus**," wet rot, or dry rot results from a "Covered Cause of Loss" other than water, the limit in k.(1)(b)(i) is part of, not in addition to, the Property Damage Limit of Coverage.

(2) **Loss of Business Income or Additional Expense**

- (a) If you have selected the **Loss of Business Income** Coverage or **Additional Expense** Coverage, the applicable coverage is extended to cover the additional loss caused by the presence of "**Fungus**," wet or dry rot as identified in paragraph k.(1)(a) above.
- (b) Coverage identified in k.(2)(a) above is limited to 30 days. The number of indicated days need not be consecutive. This limit is part of, not in addition to, the applicable Limits of Coverage for **Loss of Business Income and Additional Expense**.

l. "**Portable Covered Equipment**"

We will pay for loss or damage to "**Portable Covered Equipment**" caused by a Covered Cause of Loss while such equipment is away from the premises described in the DECLARATIONS.

B. Equipment Breakdown Coverage Exclusions

With regard to the Coverage provided by this Endorsement only, the following Exclusions apply:

We will not pay for 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.

The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**1. Earth Movement**

**Earth movement** including: earthquake; landslide; land subsidence; mine subsidence; **sinkhole collapse**; volcanic action; or any other rising or shifting of earth that results from, contributes to, or is aggravated by any of the above, all whether naturally occurring or due to man-made or other artificial causes.

**2. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**3. War or Military Action**

a. War, including undeclared or civil war;

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

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

**4. Water**

a. **Flood**, surface water, waves, tides, tidal waves, tsunamis, overflow of any body of water, or their spray, all whether driven by wind or not;

b. **Mudflow** or mudslides; or

c. **Backup** of sewers, drains, or drainage piping;

all whether naturally occurring or due to man-made or other artificial causes.

5. Discharge or leakage of a sprinkler system, sewer piping or domestic water piping, unless such discharge or leakage is the direct result of a "Covered Cause of Loss." The most we will pay for such water damage is the Limit of Coverage showing in the DECLARATIONS for Water Damage Limitation.

6. Delay, interruption of business, loss of use or loss of market except as provided in **Loss of Business Income, Additional Expense**, or Utility Interruption coverage.

7. Depletion, deterioration, corrosion, erosion, decay, wear and tear or rust. However, if a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded.

**8. An explosion**

However, we will pay for direct loss or damage caused by an explosion of "**Covered Equipment**" of a kind specified below, and which is not otherwise excluded elsewhere in this Coverage Part;

a. Steam boiler; electric steam generator; steam piping; steam turbine; steam engine; or

b. Gas turbine or any other moving or rotating machinery, when such explosion is caused by centrifugal force or mechanical breakdown.

9. Explosion within the furnace of a chemical recovery type boiler or within the gas passages from the furnace to the atmosphere.

**10. Fire or combustion explosion including those that:**

a. Result in a "Covered Cause of Loss";

b. Occur at the same time as a "Covered Cause of Loss"; or

c. Ensurue from a "Covered Cause of Loss."

**11. "Fungus," Wet Rot, and Dry Rot**

Presence, growth, proliferation, spread or activity of "**fungus**," wet rot, or dry rot, except as provided under **A.2.k. "Fungus," Wet Rot, And Dry Rot Coverage**. However, if a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded.

12. "Hacking Event." However, if a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded.

13. Any indirect loss, including damage due to spoilage, following a "Covered Cause of Loss" that results from the lack or excess of power, light, heat, steam or refrigeration except as provided by **Loss of Business Income Coverage, Additional Expense Coverage, Utility Interruption Coverage or Spoilage Damage Coverage**.

14. Neglect by you to use all reasonable means to save and preserve **"Covered Property"** from further damage at and after the time of loss.
15. Ordinance or Law
- Increase in loss from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, clean-up or disposal of **"Covered Property,"** except as provided under Coverage Extensions and Limitations **A.2.h.** However, the words 'use' and 'operation' shall be eliminated as respects a covered "Breakdown" to electrical supply and emergency generating equipment located on any premises shown in the DECLARATIONS, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.
16. A "Breakdown" that is caused directly or indirectly by Hail or Windstorm.
17. **Specified Perils** A "Breakdown" that is the direct or indirect result of the following causes of loss, if such cause of loss is covered by another Coverage Part or policy of insurance or self-insurance risk retention plan in force at the time of the loss, regardless of deductible, whether you can collect on it or not. Also excluded are all resulting direct and indirect loss.
- a. Aircraft;
  - b. Civil commotion;
  - c. Collapse;
  - d. Freezing caused by cold weather;
  - e. Impact of aircraft, missile or vehicle;
  - f. Lightning;
  - g. Molten material;
  - h. Objects falling from aircraft or missiles;
  - i. Riot;
  - j. Smoke;
  - k. Vandalism;
  - l. Vehicles, including any material carried in or on the vehicles; or
  - m. Weight of snow, ice, sleet.
18. Any "Breakdown" to **"Covered Equipment"** that takes place while the **"Covered Equipment"** is undergoing a test which subjects the **"Covered Equipment"** to greater than maximum allowable operating conditions as identified by the manufacturer of the **"Covered Equipment."**
19. Any virus, bacterium or other microorganism that induces, or is capable of inducing, physical distress, illness or disease. However:
- a. If a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded; and
  - b. This exclusion does not apply to loss or damage caused by or resulting from **"Fungus,"** wet rot or dry rot. Such loss or damage is addressed in Exclusion **B.11.**
20. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.
21. With respect to **Loss of Business Income** Coverage, **Additional Expense** Coverage, and **Utility Interruption** Coverage, the following additional exclusions shall apply:
- a. The business that would not or could not have been carried on if the "Breakdown" had not occurred; or
  - b. Your failure to use due diligence and dispatch to operate your business as nearly normal as practicable at the premises shown in the DECLARATIONS.
22. With respect to Spoilage coverage paragraph **A.2.e.(1)(b)** and **Utility Interruption** Coverage: **Specified Perils,** any loss resulting from the following causes of loss:
- a. Aircraft;
  - b. Civil commotion;
  - c. Collapse;
  - d. Freezing caused by cold weather;
  - e. Impact of aircraft, missile or vehicle;
  - f. Lightning;

- g. Molten Material;
- h. Objects falling from aircraft or missiles;
- i. Riot;
- j. Smoke;
- k. Vandalism;
- l. Vehicles, including any material carried in or on the vehicles;
- m. Weight of snow, ice, sleet;
- n. Acts of Sabotage; or
- o. Deliberate act(s) of load shedding by the supplying or distributing utility, landlord or other supplier.

23. Any other indirect result of a "Covered Cause of Loss" except as provided under any Coverage A.2.b. through l.

24. With regard to Portable **Covered Equipment** any loss resulting from the following causes of loss:

- a. Collision;
- b. Overturning; or
- c. Collapse or upset of "Portable **Covered Equipment**."

**C. Equipment Breakdown Coverage Limits of Coverage**

1. The most we will pay for any and all coverages for loss or damage from any "One Breakdown" is the applicable Limit of Coverage shown in the DECLARATIONS.
2. Any payment made will not be increased if more than one Covered Party is shown in the Declarations.
3. For each coverage in Paragraph A.2. if;
  - a. Included is shown in the DECLARATIONS, the limit for such coverage is part of, not in addition to, the Limit per Breakdown.
  - b. A limit is shown in the DECLARATIONS, we will not pay more than the Limit of Coverage for each such coverage.

4. For any "**Covered Equipment**" that is:

- a. Used solely to supply utility services to your premises;
- b. Owned by a public or private utility;
- c. Not in **your** care, custody or control and for which **you** are legally liable; and
- d. Covered under this Coverage Form;

the Limit of Coverage for Property Damage stated in the DECLARATIONS is deleted and replaced by the sum of one dollar.

If **you** are a public or private utility, 4.b. is deleted and replaced by the following:

- b. Owned by a public or private utility other than **you**;

5. Unless a higher limit or Included is shown in the DECLARATIONS, the most we will pay for direct damage as a direct result of a "Breakdown" to "**Covered Equipment**" is \$25,000 for each of the following. The limits are part of, not in addition to, the Limit of Coverage for Property Damage or Limit per Breakdown.

- a. Ammonia Contamination

The spoilage to "**Covered Property**" contaminated by ammonia, including any salvage expense.

- b. Consequential Loss

The reduction in the value of undamaged "Stock" parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

- c. Hazardous Substance

Any additional expenses incurred by **you** for the clean-up, repair or replacement or disposal of "**Covered Property**" that is damaged, contaminated or polluted by a "Hazardous Substance."

As used here, additional expenses mean the additional cost incurred over and above the amount that we would have paid had no "Hazardous Substance" been involved with the loss.

Ammonia is not considered to be a "Hazardous Substance" as respects this limitation.

This coverage applies despite the operation of the Ordinance or Law Exclusion.

d. Water Damage

The damage to "**Covered Property**" by water including any salvage expenses, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

D. Equipment Breakdown Coverage Deductibles

1. Application of Deductibles

**We** will not pay for loss or damage resulting from any "One Breakdown" until the amount of **covered loss** or damage exceeds the deductible shown in the DECLARATIONS for each applicable coverage. **We** will then pay the amount of **covered loss** or damage in excess of the deductible, up to the applicable Limit of Coverage.

Deductibles apply separately for each applicable coverage except if:

- a. A deductible is shown as Combined for any of the coverage in the DECLARATIONS, then **we** will first subtract the combined deductible amount from the aggregate amount of any loss to which the combined deductible applies; or
- b. More than one "**Covered Equipment**" is involved in "One Breakdown," then only one deductible, the highest, shall apply for each of the applicable coverages.

2. Determination of Deductibles

a. Dollar Deductible

If a dollar deductible is shown in the DECLARATIONS, **we** will first subtract the deductible amount from any loss **we** would otherwise pay.

b. Time Deductible

If a time deductible is shown in the DECLARATIONS, **we** will not be liable for any loss under that coverage that occurs during the specified time period immediately following a "Breakdown." If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Daily Value Deductible

If a multiple of daily value is shown in the DECLARATIONS, this deductible will be calculated as follows:

- (1) For the entire premises where the loss occurred, determine the total amount of "**Business Income**" that would have been earned during the "**Period of Restoration**" had no "Breakdown" taken place.
- (2) Divide the result in Paragraph (1) by the number of days the business would have been open during the "**Period of Restoration**." The result is the daily value.
- (3) Multiply the daily value in Paragraph (2) by the number of days shown in the DECLARATIONS. **We** will first subtract this deductible amount from any loss **we** would otherwise pay. **We** will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Coverage.

d. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the DECLARATIONS, **we** will not be liable for the indicated percentage of gross amount of loss or damage (prior to the applicable deductible or coinsurance) insured under the applicable coverage.

e. Minimum or Maximum Deductibles

(1) If:

- (a) A minimum dollar amount deductible is shown in the DECLARATIONS; and
- (b) The dollar amount of the Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible;

then the Minimum Deductible amount shown in the DECLARATIONS will be the applicable deductible.

(2) If:

- (a) A maximum dollar amount deductible is shown in the DECLARATIONS; and
- (b) The dollar amount of the Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;

then the Maximum Deductible amount shown in the DECLARATIONS will be the applicable deductible.

#### E. Equipment Breakdown Coverage Conditions

The following conditions apply in addition to the **Section VI – Conditions in the PROPERTY AND INLAND MARINE COVERAGE FORM**:

##### 1. Loss Conditions

###### a. Defense

**We** may elect to defend **you** against suits arising from claims of owners of property. **We** will do this at **our** expense.

###### b. Insurance Under Two or More Coverages

If two or more of this Endorsement's coverages apply to the same loss or damage, **we** will not pay more than the actual amount of the loss or damage.

###### c. Other Insurance

(1) **You** may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Endorsement. If **you** do, **we** will pay **our** share of the **covered loss** or damage. **Our** share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

(2) If there is other insurance covering the same loss or damage, other than that described in Paragraph (1), **we** will pay only for the amount of **covered loss** or damage in excess of the amount due from that other insurance, whether **you** can collect on it or not. But **we** will not pay more than the applicable Limit of Coverage.

###### d. Valuation

With regard to the coverage provided by this Endorsement only, Section V – Valuations in the PROPERTY AND INLAND MARINE COVERAGE FORM is deleted and replaced with the following:

(1) **We** will determine the value of "**Covered Property**" in the event of loss or damage as follows:

- (a) The cost to repair, rebuild or replace the damaged property with property of same kind, capacity, size or quality on the same site or another site whichever is less costly; or
- (b) The cost actually and necessarily expended in repairing, rebuilding, ore replacing on the same site or another site whichever is the less costly;

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

(2) If **you** elect or **we** require that the repair or replacement of the damaged "**Covered Equipment**" be done in a manner that:

- (a) Improves the environment;
- (b) Increases efficiency; or
- (c) Enhances safety;

while maintaining the existing function, then **we** will pay, subject to the limit of coverage, up to an additional 25% of the property damage amount for the "**Covered Equipment**" otherwise recoverable.

(3) If:

- (a) Any damaged "**Covered Property**" is protected by an extended warranty, or maintenance or service contract; and
- (b) That warranty or contract becomes void or unusable due to a "Breakdown,"

**we** will reimburse **you** for the unused costs of non-refundable, non-transferrable warranties or contracts.

(4) Unless **we** agree otherwise in writing, if **you** do not repair or replace the damaged property within 24 months following the date of the "Breakdown," then **we** will pay only the smaller of the:

- (a) Cost to repair or replace; or
- (b) **Actual Cash Value** at the time of the "Breakdown."

(5) If all of the following conditions are met, property held by **you** for sale will be valued at the selling price as if no loss or damage had occurred, less any discounts **you** offered and expenses **you** otherwise would have had:

- (a) The property was manufactured by **you**;

- (b) The selling price of the property is more than the **replacement cost** of the property; and
  - (c) **You** are unable to replace the property before its anticipated sale.
- (6) **We** will pay for loss to damaged "**Data**" or "**Media**" as follows:
- (a) **Replacement cost** for "**Data**" or "**Media**" that are mass produced and commercially available; and
  - (b) The cost **you** actually spend to reproduce the records on blank material for all other "**Data**" or "**Media**" of like kind and quality or property of similar functional use.
- However, **we** will not pay for "**Data**" or "**Media**" that **we** determine is not or cannot be replaced with "**Data**" or "**Media**" of like kind and quality or property of similar functional use.
- (7) **We** will determine the value of "**Covered Property**" under Spoilage Damage Coverage as follows:
- (a) For raw materials, the **replacement cost**;
  - (b) For property in process, the **replacement cost** of the raw materials, the labor expended and the proper proportion of overhead charges; and
  - (c) For finished products, the selling price, as if no loss or damage had occurred, less any discounts **you** offered and expenses **you** otherwise would have had.
- (8) Any salvage value of property obtained for temporary repairs or use following a "Breakdown" which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

## 2. General Conditions

### a. Additional Covered Party

If a person or organization is designated in this Coverage Part as an Additional Covered Party, **we** will consider them to be a Covered Party under this Coverage Part to the extent of their interest.

### b. Suspension

Whenever "**Covered Equipment**" is found to be in, or exposed to, a dangerous condition, any of **our** representatives may immediately suspend the coverage against loss from a "Breakdown" to that "**Covered Equipment**." This can be done by delivering or mailing a written notice of suspension to:

- (1) **Your** last known address; or
- (2) The address where the "**Covered Equipment**" is located.

Once suspended in this way, **your** coverage can be reinstated only by an endorsement for that "**Covered Equipment**."

If **we** suspend **your** coverage, **you** will get a pro rata refund of premium for that "**Covered Equipment**." But the suspension will be effective even if **we** have not yet made or offered a refund.

## F. Equipment Breakdown Coverage Definitions

The following definitions apply in addition to the definitions found elsewhere in this Agreement.

### 1. "Breakdown"

- a. Means the following direct physical loss that causes damage to "**Covered Equipment**" and necessitates its repair or replacement:
  - (1) Failure of pressure or vacuum equipment;
  - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
  - (3) Electrical failure including arcing;unless such loss or damage is otherwise excluded within this Coverage Form.
- b. Does not mean or include:
  - (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
  - (2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time to provide instructions to "**Covered Equipment**";
  - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
  - (4) Damage to any vacuum tube, gas tube, or brush;
  - (5) Damage to any structure or foundation supporting the "**Covered Equipment**" or any of its parts;

- (6) The functioning of any safety or protection device; or
- (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

2. "Computer Equipment" means:

- a. Your programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "Data" or "Media."

3. With regard to the coverage provided by this Coverage Form only, the definition of "Covered Equipment" in the PROPERTY AND INLAND MARINE COVERAGE FORM is deleted and replaced by:

**"Covered Equipment"**

a. Means and includes any:

- (1) Equipment built to operate under internal pressure or vacuum other than weight of contents;
- (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
- (3) Communication equipment, and "Computer Equipment"; and
- (4) Equipment in Paragraphs (1), (2) and (3) that is owned by a public or private utility and used solely to supply utility services to your premises.

However, if Coverage A.2.f. Utility Interruption is provided, then Paragraph 3.a.(4) does not apply. Except for Paragraph 3.a.(4), Utility Interruption, the "Covered Equipment" must be located at a premises described in the DECLARATIONS and be owned, leased, or operated under your control.

b. Does not mean or include any:

- (1) "Media";
- (2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (3) Insulating or refractory material, but not excluding the glass lining of any "Covered Equipment";
- (4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
- (5) Catalyst;
- (6) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
- (7) Structure, foundation, cabinet or compartment supporting or containing the "Covered Equipment" or part of the "Covered Equipment" including penstock, draft tube or well casing;
- (8) Vehicle, aircraft, self-propelled equipment or floating vessel including any "Covered Equipment" that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;
- (9) Dragline, excavation, or construction equipment including any "Covered Equipment" that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
- (10) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
- (11) Machine or apparatus used solely for research, diagnosis, medication, surgical, therapeutic dental or pathological purposes including any "Covered Equipment" that is mounted upon or used solely with any one or more machine(s) or apparatus unless Diagnostic Equipment is shown as Included in the Declarations;
- (12) Equipment or any part of such equipment manufactured by you for sale; or
- (13) Contractors/Mobile Equipment

4. With regard to the coverage provided by this Coverage Form only, the definition of "Covered Property" in the PROPERTY AND INLAND MARINE COVERAGE FORM is deleted and replaced by:

a. "Covered Property" means any property that:

- (1) You own; or
  - (2) Is in **your** care, custody or control and for which **you** are legally liable.
- b. **"Covered Property"** does not mean:
  - (1) **"Data"**
  - (2) Dams, Dikes or levees; or
  - (3) Animals
- 5. With regard to the coverage provided by this Coverage Form only, the definition of **"Data"** in the Property and Inland Marine Coverage Form is deleted and replaced by:

**"Data"** means:

  - a. Programmed and recorded material stored on **"Media"**; and
  - b. Programming records used for **electronic data processing**, or electronically controlled equipment.
- 6. **"Hacking Event"** means an attack that allows unauthorized access or use of **"Covered Equipment."**
- 7. **"Hazardous Substance"** means any substance other than ammonia that has been declared to be hazardous to health by a government agency.
- 8. With regard to the coverage provided by this Coverage Form only, the definition of **"Media"** in the Property and Inland Marine Coverage Form is deleted and replaced by:

**"Media"** means **electronic data processing** or storage media such as films, tapes, discs, drums or cells.
- 9. **"One Breakdown"** means if an initial **"Breakdown"** causes other **"Breakdowns,"** all will be considered **"One Breakdown."** All **"Breakdowns"** at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered **"One Breakdown."**
- 10. With regard to the coverage provided by this Coverage Form only, the definition of **"Period of Restoration"** in the property and Inland Marine Coverage Form is deleted and replaced by:

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

  - a. Begins at the time of the **"Breakdown;"** and
  - b. Ends 5 consecutive days after the date when the damaged property at the premises described in the DECLARATIONS is repaired or replaced with reasonable speed and similar quality.
- 11. **"Perishable Goods"** means any **"Covered Property"** that is maintained under controlled conditions for its preservation and that is susceptible to loss or damage if the controlled conditions change.
- 12. **"Portable covered equipment"** is **"covered equipment"** that:
  - a. Is **your "Covered Property"** and operated by **you** or by someone **you** have designated to operate such equipment;
  - b. Is not in transit, but is located at a fixed location;
  - c. Is equipment that is in use or connected and ready for use; and
  - d. Is equipment that is not mounted on a vehicle. However, Equipment that is mounted on a trailer is considered as **"portable covered equipment,"** however there shall be no coverage for the trailer.



## **PUBLIC ENTITY**

### **Terrorism Coverage**

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

This endorsement modifies coverage provided under the **PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104, Section III, A:**

- A. With respect to any exclusion of "Terrorism" in this Agreement or attached to this Agreement by endorsement, such exclusion does not apply to a "certified act of terrorism."
- B. That exclusion also does not apply to an act that meets the criteria set forth in subparagraph D2 below of the definition of "certified acts of terrorism", when such act resulted in aggregate losses of \$5 million or less.
- C. With respect to any one or more "certified acts of terrorism," we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.
- D. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism:"
  - 1. The act resulted in aggregate losses in excess of \$5 million; and
  - 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, 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.

All other terms and conditions of the coverage agreement remain unchanged.



## PUBLIC ENTITY

### GENERAL LIABILITY COVERAGE PART DECLARATIONS

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

#### Deductibles

Bodily Injury, Property Damage	\$200,000 SIR
Employee Benefits Liability	\$200,000 SIR
Fire Damage Limit	\$200,000 SIR
Sewer Backup & Water Damage Coverage	\$200,000 SIR
Pesticide/ Herbicide Limit	\$200,000 SIR
Law Enforcement Liability	\$100,000 SIR

Coverage is only provided for the coverages indicated by an X.

#### Coverage

<input checked="" type="checkbox"/>	Bodily Injury and Property Damage Personal Injury and Advertising Injury Products / Completed Operation General Aggregate Limit Medical Payments	\$5,000,000 Included Included N/A \$5,000	Per Occurrence Per Person or Organization
<input checked="" type="checkbox"/>	Employee Benefits Liability	\$5,000,000 N/A	Per Occurrence Aggregate Limit
<input checked="" type="checkbox"/>	Fire Damage Limit	Included	Any One Premise
<input checked="" type="checkbox"/>	Sewer Backup & Water Damage Coverage	\$10,000 \$200,000 \$200,000	No Fault Per Claimant At Fault Per Claimant Annual Aggregate
<input checked="" type="checkbox"/>	Pesticide / Herbicide Limit	\$1,000,000	Aggregate Limit
<input checked="" type="checkbox"/>	Law Enforcement	\$5,000,000	Per Occurrence

#### FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of the coverage agreement at this time of issue:

See PGIT MN-002

Premium: \$ INCLUDED

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



## PUBLIC ENTITY

### GENERAL LIABILITY COVERAGE FORM (Occurrence)

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

Throughout this Coverage Agreement the words "you" and "your" refer to the Named Covered Party shown in the Declarations, and any other person or organization qualifying as a Named Covered Party under this agreement. The words "we," "us" and "our" refer to the Trust providing this Coverage Agreement.

"Covered party" means any person or organization qualifying as such under SECTION II - WHO IS A COVERED PARTY.

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

#### **SECTION I - COVERAGES**

##### **A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

###### **1. Coverage Agreement**

- a. We will pay those sums that the Covered Party becomes legally obligated to pay as damages, because of "bodily injury" or "property damage" to which this coverage agreement applies. We will have the right and duty to defend the Covered Party against any "suit" seeking those damages. However, we will have no duty to defend the covered party against any "suit" seeking damages for "bodily injury" or "property damage" to which this coverage does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF COVERAGE (SECTION III); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of coverage in the payment of judgments or settlements under Coverages A. or B.
- (3) Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the declarations applicable to such coverages.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This coverage applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the agreement period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

###### **2. Exclusions**

This coverage agreement does not apply to:

###### **a. Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the covered party. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the covered party is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the covered party would have in the absence of the contract or agreement.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any covered party may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

**d. Workers' Compensation And Similar Laws**

Any obligation of the covered party under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An employee of the covered party arising out of and in the course of:
  - (a) Employment by the covered party; or
  - (b) Performing duties related to the conduct of the covered party's business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

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

This exclusion does not apply to liability assumed by the covered party under an "insured contract."

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) 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 covered party;
  - (b) At or from any premises, site or location which is or was at any time used by or for any covered party or others for the handling, storage, disposal, processing or treatment of waste. This includes but is not limited to any landfill or disposal site or other properties in conjunction with landfill or disposal site activities;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any covered party or any person or organization for whom you may be legally responsible;
  - (d) At or from any premises, site or location on which any covered party or any contractors or subcontractors working directly or indirectly on any covered party's behalf are performing operations;

- (i) if the pollutants are brought on or to the premises, site or location in connection with such operations by such covered party, contractor or subcontractor; or
- (ii) 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.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations 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".
- (f) At or from any premises, site, or location which is or was at any time the responsibility of any covered party to maintain, including but not limited to streets, roads, paths, beaches, waterways, lakes, rivers, canals, retention ponds, bridges, aquifers, or easements.

Subparagraphs (a) and (d)(i) 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.

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any covered party 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
- (b) 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".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any covered party. Use includes operation and "loading or unloading."

This exclusion applies even if the claims against any covered party allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that covered party, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any covered party.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft less than 52 feet long that is not being used to carry persons or property for a charge;
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft; or
- (4) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph 5.a. or 5.b. of the definition of "mobile equipment" (SECTION V (I)).

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any covered party; or
- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage," however caused, arising out of:

- (1) War, including undeclared or civil war;
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage to Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the covered party;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This exclusion does not apply to personal property held by the covered party as a result of seizure or confiscation.

**k. Damage to Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage to Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage to Impaired Property or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property"; if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Racketeering**

Any damages arising out of any actual or alleged violation of the Racketeer Influence and Corrupt Organizations Act, 18 USC or any amendments thereto, or any rules or organizations promulgated thereunder.

**p. Law Enforcement**

"Bodily injury" or "property damage" arising out of any actual or alleged act or omission resulting from law enforcement activities of your police department or any other law enforcement agencies, including their agents or employees. Except coverage will be provided for "bodily injury" or "property damage" for your vicarious liability arising out of an act or omission by a law enforcement agency that is not owned, operated or controlled by the "covered party" if the "covered party" has contracted with an outside agency to provide law enforcement for your entity. This coverage is capped at the lesser of the per occurrence limit of liability shown on the general liability coverage part declarations or at \$2,000,000.

**q. Asbestos**

"Bodily injury" or "property damage" arising out of inhaling, ingesting or prolonged exposure to asbestos or goods or products containing asbestos, or the use of asbestos in constructing or manufacturing any good, product or structure, or the removal of asbestos from any good, product or structure, or the manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

**r. Personal and Advertising Injury**

"Bodily injury" or "property damage" arising out of "personal injury" or "advertising injury".

**s. Mold, Fungi, or Bacteria**

- (1) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any covered party, or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

The coverage afforded by this agreement does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

Exclusions c. through n. do not apply to damage by fire to premises rented to you. A separate limit of coverage applies to this coverage as described in LIMITS OF COVERAGE (SECTION III).

**t. Media Content Services Liability**

"Bodily injury" or "property damage" arising out of any "media wrongful act" allegedly committed by the Covered Party or by someone for whom the Covered Party is legally responsible, including liability "assumed under contract."

For purposes of this exclusion, the phrase "media wrongful act" means any:

- (1) Libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
- (2) Copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan trademark, trade name, service mark or service name;
- (3) Common law unfair competition or unfair trade practices alleged in conjunction with the acts described above in (1) and (2);
- (4) Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
- (5) Infliction of emotional distress or mental anguish;
- (6) False arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
- (7) Plagiarism, privacy or misappropriation of ideas under implied contracts; and
- (8) Economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of matter which is false or erroneous

resulting from a Covered Party's acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering matter through traditional and digital methods including but not limited to cable television, radio, movie and music studios, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs.

For purposes of this exclusion, the phrase "assumed under contract" means liability for damages for "bodily injury" or "property damage" which the Covered Party is required to indemnify based upon a written contract, hold harmless agreement, indemnity agreement, or similar arrangement, which document: (i) was executed by the Covered Party prior to the occurrence of the "bodily injury" or "property damage" for which indemnity is sought, and (ii) requires the Covered Party to indemnify for "bodily injury" or "property damage" caused in whole or in part by the content of media material used in a media communication.

**u. Access or Disclosure of Confidential or Personal Information and Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, proprietary information, financial information, banking information, investment information, charge card information, debit card information, credit card information, cardholder data as defined under PCI-

DSS, health information, social security numbers, driver's license or state identification numbers, access codes, passwords, personal identification numbers, or any other type of nonpublic information;

- (2) Failure to timely disclose any unauthorized access to or disclosure of any person's or organization's confidential or personal information, including but not limited to the items listed in Paragraph (1) above; or
- (3) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data."

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1), (2), or (3) above.

However, unless Paragraph (1) or (2) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, "electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

## **B. PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Coverage Agreement.**

- a. We will pay those sums that the covered party becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this coverage form applies. We will have the right and duty to defend the covered party against any "suit" seeking those damages. However, we will have no duty to defend the Covered Party against any "suit" seeking damages for "personal injury" or "advertising injury" to which this coverage does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF COVERAGE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of coverage in the payment of judgments or settlements under SECTION I Coverage A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A and B.

- b. This coverage agreement applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you; and
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services.

- c. This coverage applies to "personal injury" and "advertising injury" only if:

- (1) The "personal injury" or "advertising injury" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "personal injury" or "advertising injury" occurs during the agreement period.

### **2. Exclusions.**

This coverage agreement does not apply to:

- a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the covered party with knowledge of its falsity;
  - (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the agreement period;
  - (3) Arising out of a criminal act committed by or at the direction of the covered party; or
  - (4) For which the covered party has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the covered party would have in the absence of the contract or agreement.
- b. "Advertising injury" arising out of:
- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
  - (2) The failure of goods, products or services to conform with advertised quality or performance;
  - (3) The wrong description of the price of goods, products or services; or
  - (4) An offense committed by a covered party whose business is advertising, broadcasting, publishing or telecasting.
- c. "Personal injury" or "advertising injury" expected or intended from the standpoint of the covered party
- d. "Personal injury" or "advertising injury" arising out of any act or omission resulting from law enforcement activities of any police department or any other law enforcement agencies, including their agents or employees. Except coverage will be provided for "personal injury" or "advertising injury" for your vicarious liability arising out of an act or omission by a law enforcement agency that is not owned, operated or controlled by the "covered party" if the "covered party" has contracted with an outside agency to provide law enforcement for your entity. This coverage is capped at the lesser of the per occurrence limit of liability shown on the general liability coverage part declarations or at \$2,000,000.
- e. "Personal injury" or "advertising injury" arising out of inhaling, ingesting or prolonged exposure to asbestos or goods or products containing asbestos, or the use of asbestos in constructing or manufacturing any good, product or structure, or the removal of asbestos from any good, product or structure, or the manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.
- f. "Personal injury" or "advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- g. "Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the covered party hosts, owns, or over which the covered party exercises control.
- h. "Personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- i. Any loss, cost or expense arising out of any:
- (1) Request, demand, order or statutory or regulatory requirement that any covered party 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".
- j. "Personal injury" or "advertising injury", however caused, arising, directly or indirectly, out of war, including undeclared or civil war, warlike action by a military force, or insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**k. Media Content Service Liability**

"Personal injury" or "advertising injury" arising out of any "media wrongful act" allegedly committed by the Covered Party or by someone for whom the Covered Party is legally responsible, including liability "assumed under contract."

For purposes of this exclusion, the phrase "media wrongful act" means any:

- (1) Libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
- (2) Copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan trademark, trade name, service mark or service name;
- (3) Common law unfair competition or unfair trade practices alleged in conjunction with the acts described above in (1) and (2);
- (4) Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
- (5) Infliction of emotional distress or mental anguish;
- (6) False arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
- (7) Plagiarism, privacy or misappropriation of ideas under implied contracts; and
- (8) Economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of matter which is false or erroneous

resulting from a Covered Party's acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering matter through traditional and digital methods including but not limited to cable television, radio, movie and music studios, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs.

For purposes of this exclusion, the phrase "assumed under contract" means liability for damages for "personal injury" or "advertising injury" which the Covered Party is required to indemnify based upon a written contract, hold harmless agreement, indemnity agreement, or similar arrangement, which document: (i) was executed by the Covered Party prior to the occurrence of the "personal injury" or "advertising injury" for which indemnity is sought, and (ii) requires the Covered Party to indemnify for "personal injury" or "advertising injury" caused in whole or in part by the content of media material used in a media communication.

**l. Access or Disclosure of Confidential or Personal Information and Data-related Liability**

"Personal injury" or "advertising injury" arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, proprietary information, financial information, banking information, investment information, charge card information, debit card information, credit card information, cardholder data as defined under PCI-DSS, health information, social security numbers, driver's license or state identification numbers, access codes, passwords, personal identification numbers, or any other type of nonpublic information;
- (2) Failure to timely disclose any unauthorized access to or disclosure of any person's or organization's confidential or personal information, including but not limited to the items listed in Paragraph (1) above; or

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1), (2), or (3) above.

**C. HERBICIDE AND PESTICIDE**

We will pay the lesser of the General Bodily Injury and Property Damage per occurrence limit or \$1,000,000 whichever is less, for "damages," defense costs and/or claims expenses because of "bodily injury" or "property damage" caused by an "occurrence," which result from any "suits" otherwise covered by this **Coverage Agreement**, arising in whole or in part out of the application of herbicides and/or pesticides.

Our limit of liability shall not exceed the lesser of the General Aggregate Limit or \$1,000,000 in the aggregate whichever is less for all "damages" defense cost and/or claims expenses, which result from any and all, covered "suits" arising out of the application of such herbicides and/or pesticides.

**D. MEDICAL PAYMENTS (Provided if limits are shown on Declarations Page)**

**1. Coverage Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the agreement period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage as shown in the Declarations. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions related to Medical Payments**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any Covered Party, except "volunteer workers."

**b. Hired Person**

To a person hired to do work for or on behalf of any Covered Party or a tenant of any Covered Party.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any Covered Party, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard."

**g. Coverage A Exclusions**

Excluded under Coverage A.

**E. SEWER BACKUP & WATER DAMAGE COVERAGE**

**(Provided if limits are shown on Declarations Page)**

**1. Coverage Agreement**

We will pay damages as described below for "property damage," excluding loss of use of tangible property, caused by an "occurrence" resulting from bursting or failure of man-made sewer, storm water, grey water, or potable water supply pipes owned and maintained by you:

- a. On premises that you do not own or rent;
- b. Because of your operations; provided that:
- c. The "occurrence" takes place in the "coverage territory" and during the Coverage Agreement period; and
- d. The damages are incurred and reported to us within one year of the date of the "occurrence." Coverage for this loss shall be subject to a limit of \$10,000 per claimant, or \$200,000 in the aggregate. If the Covered Party is found to be negligent, coverage for the loss will be subject to a limit of \$200,000 per claimant and in the aggregate. All payments under this section are capped at \$200,000 in the annual aggregate during the Coverage Agreement period. The deductible/ self insured retention will only apply to claims under this section when the Covered Party is found to be negligent.

**2. Right and Duty to Defend**

We will have the right and duty to defend the Covered Party against any "suit" seeking those damages described in Section I.E.1. above. However, we will have no duty to defend the Covered Party against any "suit" seeking damages to which this coverage does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- a. The amount we will pay for expenses we incur in defending the Covered Party, investigating any "occurrence", or damages, or any combination thereof, shall be subject to a limit of \$200,000 in the annual aggregate during the Coverage Agreement period;
- b. Our right and duty to defend ends when we have used up the applicable limit of coverage of \$200,000 in the annual aggregate during the Coverage Agreement period in the payment of:
  - (1) expenses we incur in defending the Covered Party and investigating any "occurrence";
  - (2) damages under Coverage E.; or
  - (3) any combination thereof; and
- c. Our obligation under the Sewer Backup & Water Damage Coverage to pay expenses we incur or damages on your behalf applies only to the amount of expenses and damages in excess of any deductible amounts stated in the declarations applicable to such coverage.

No other obligation or liability to pay sums or perform acts or services is covered under the Sewer Backup & Water Damage Coverage, Section I.E.

We are not obligated to pay any damages, expenses incurred in defending the Covered Party, or expenses incurred in investigating any "occurrence", or to continue to defend any "suit" or continue

to investigate any "occurrence", after the applicable limit of liability of \$200,000 in the annual aggregate during the Coverage Agreement period has been exhausted by payment of damages, expenses incurred in defending the Covered Party, or expenses incurred in investigating any "occurrence", or any combination thereof.

**3. Exclusions related to Sewer Backup and Water Damage Coverage:**

We will not pay for "property damage":

- a. Included within the "products-completed operations hazard",
- b. Excluded under Section 1 Coverages A or B;
- c. Due to war whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of coverage. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the covered party at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$300 a day because of time off from work.
5. All costs taxed against the covered party in the "suit."
6. Prejudgment interest awarded against the covered party on that part of the judgment we pay. If we make an offer to pay the applicable limit of coverage, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of coverage.
8. Expenses incurred by the covered party for first aid to others at the time of an accident for "bodily injury" to which this coverage agreement applies.
9. Up to \$100,000 in aggregate for "personal injury" and related expense for any duly elected or appointed official of any board or commission or agency of yours while acting outside the course and scope of their duties as authorized by you, but only with respect to "personal injury" resulting from his/her affiliation with you. The coverage provided to such individual is excess over any other insurance or coverage specifically insuring against "personal injury" for such individual.
10. Subject to the agreement deductible or Self Insured Retention, we will pay up to \$2,500 in aggregate for "property damage" to personal property in your care, custody or control.

These payments will not reduce the limits of coverage.

**SECTION II - WHO IS A COVERED PARTY**

- A. All branches of government, executive, legislative and judicial, including any department, office, commission, board, authority, governmental agency or subdivision of any branch of government which are under the jurisdiction of, and totally within the operating budget of, the covered party named in the Declarations, and only while working on behalf of the covered party named in the Declarations.
- B. Any duly elected or appointed official or a member of any board or commission or agency of yours while acting within the course and scope of their employment or as authorized by you.
- C. If you are designated in the Declarations as:

1. An individual, you and your spouse are covered parties, but only with respect to the conduct of a business of which you are the sole owner.
  2. A partnership or joint venture, you are a covered party. Your members, your partners, and their spouses are also covered parties, but only with respect to the conduct of your business.
  3. An organization other than a partnership or joint venture, you are a covered party. Your executive officers and directors are covered parties, but only with respect to their duties as your officers or directors. Your stockholders are also covered parties, but only with respect to their liability as stockholders.
- D. Each of the following is also a covered party:
1. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, no employee is a covered party for:
    - a. "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury" or "personal injury," or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or
    - b. "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide "professional health care services"; or
    - c. "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).
  2. The Medical Director to the extent he/she is an agent of the covered Florida Public Entity, but solely while acting within the course and scope of their duties as Medical Director as outlined in Florida Statute 401.265.
  3. Your authorized volunteer or leased employee who are deemed as your agent, but only while under your supervision and in the course and scope of work approved by you.
- E. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is a covered party while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also a covered party, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance or coverage of any kind is available to that person or organization for this liability. However, no person or organization is a covered party with respect to:
1. "Bodily injury" to a co-employee of the person driving the equipment; or
  2. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is a covered party under this provision.
- F. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a named Covered Party if there is no other similar insurance available to that organization. However:
1. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the agreement period, whichever is earlier;
  2. Section I Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  3. Section I Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is a covered party with respect to the conduct of any current or past partnership or joint venture that is not shown as a named Covered Party in the Declarations.

### **SECTION III - LIMITS OF COVERAGE**

- A. The Limits of Coverage shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
1. Covered Parties;
  2. Claims made or "suits" brought; or
  3. Persons or organizations making claims or bringing "suits."
- B. The General Aggregate Limit is the most we will pay for the sum of:
1. Damages under SECTION I Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard;" and
  2. Damages under SECTION I Coverage B.
- C. The Products-Completed Operations Aggregate Limit is the most we will pay under SECTION I Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."
- D. Subject to B. above, the Personal and Advertising Injury Limit is the most we will pay under SECTION I Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
- E. The Fire Damage Limit is the most we will pay under SECTION I Coverage A for damages because of "property damage" to premises rented to you arising out of any one fire.
- F. The most we will pay is further limited by the limitations set forth in Section 768.28(5), Florida Statutes (2010) or the equivalent limitations of successor law which are applicable at the time of the loss.
- G. However, subject to and limited by B., C., D., E., and F. above, we will pay:
1. The amount indicated when a claims bill enacted by the Florida Legislature in accordance with Section 768.28 (5) Florida Statutes becomes law;
  2. The amount determined by a court of competent jurisdiction for liable action taken outside the state of Florida for claims where the injury or damage originated from an occurrence outside the state of Florida; or
  3. The amount shown in the declarations when Florida Statutes Section 768.28 (5) is deemed inapplicable by a competent court in Florida.
- H. Damages will not include:
1. taxes, fines, penalties, or sanctions;
  2. punitive or exemplary damages or the multiple portion of any multiplied damages award;
  3. matters uninsurable under the laws pursuant to which this coverage agreement is constructed; or
  4. the cost to comply with any injunctive or any other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief.

#### **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**

**A. Bankruptcy.**

Bankruptcy or insolvency of the Covered Party or of the Covered Party's estate will not relieve us of our obligations under this Coverage Agreement.

**B. Duties In The Event Of Occurrence, Claim Or Suit.**

1. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - a. How, when and where the "occurrence" or offense took place;
  - b. The names and addresses of any injured persons and witnesses; and
  - c. The nature and location of any injury or damage arising out of the "occurrence" or offense.

2. If a claim is made or "suit" is brought against any Covered Party, you must:
  - a. Immediately record the specifics of the claim or "suit" and the date received; and
  - b. Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

3. You and any other involved covered party must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the covered party because of injury or damage to which this coverage agreement may also apply.
4. No covered parties will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**C. Legal Action Against Us.**

No person or organization has a right under this Coverage Agreement:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from a covered party; or
2. To sue us on this Coverage Agreement unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against a Covered Party obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Agreement or that are in excess of the applicable limit of coverage. An agreed settlement means a settlement and release of liability signed by us, the Covered Party and the claimant or the claimant's legal representative.

**D. Representations.**

By accepting this agreement, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this agreement in reliance upon your representations.

**E. Separation Of Covered Parties.**

Except with respect to the Limits of Coverage, and any rights or duties specifically assigned in this Coverage Agreement to the first named Covered Party, this coverage agreement applies:

1. As if each named Covered Party were the only named Covered Party; and
2. Separately to each covered party against whom claim is made or "suit" is brought.

**F. Transfer Of Rights Of Recovery Against Others To Us.**

If the covered party has rights to recover all or part of any payment we have made under this Coverage Agreement, those rights are transferred to us. The covered party must do nothing after loss to impair them. At our request, the covered party will bring "suit" or transfer those rights to us and help us enforce them.

**G. When We Do Not Renew.**

If we decide not to renew this Coverage Agreement, we will mail or deliver to the first named Covered Party shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **H. Support and Cooperation in Opposition to Claim Bill Legislation**

If we act to oppose legislation brought forth in accordance with Florida Statute 768.28, arising from a covered occurrence, you shall use your best efforts to provide us with positive support and cooperation in such opposition.

Such positive support and cooperation shall include, but is not limited to:

1. Formal proclamations or resolutions by your governing board in opposition to such legislation;
2. Oral or written testimony of your officials and employees at legislative hearings or other legislative proceedings in opposition to such legislation; and
3. Personal contact by your officials and employees with legislators identified by us.

#### **I. Coordination of Coverage with Public Officials Liability**

In the event of a suit of claim triggering coverage under this Coverage Part and the PUBLIC OFFICIALS LIABILITY COVERAGE PART, the terms and conditions in PGIT MN-090, I. OTHER COVERAGE OR INSURANCE also apply.

### **SECTION V - DEFINITIONS**

#### **A. "Advertising injury" means injury arising out of one or more of the following offenses:**

1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
2. Oral or written publication of material that violates a person's right of privacy;
3. Misappropriation of advertising ideas or style of doing business; or
4. Infringement of copyright, title or slogan.

#### **B. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."**

#### **C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.**

#### **D. "Coverage territory" means:**

1. The United States of America (including its territories and possessions), Puerto Rico and Canada;
2. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in 1. above; or
3. All parts of the world if:
  - a. The injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in 1. above; or
    - (2) The activities of a person whose home is in the territory described in 1. above, but is away for a short time on your business; and
  - b. The covered party's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in 1. above or in a settlement we agree to.

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

#### **F. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:**

1. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

2. You have failed to fulfill the terms of a contract or agreement; or if such property can be restored to use by:
  3. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  4. Your fulfilling the terms of the contract or agreement.
- G. "Insured contract" means an agreement between two or more cities, counties, special districts, or other governmental bodies regarding:
1. A lease of premises;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  5. An elevator maintenance agreement;
  6. Where permitted by Florida Statute 768.28, 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 public entity to pay for "bodily 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.
- An "insured contract" does not include that part of any contract or agreement:
7. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  8. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
    - b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
    - c. Under which the covered party, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the covered party's rendering or failure to render professional services, including those listed in b. above and supervisory, inspection or engineering services; or
    - d. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
  9. That does not comply with Florida Statute 768.28.
- H. "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 "auto";
  2. While it is in or on an aircraft, watercraft or "auto"; or
  3. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered; but "loading or 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 "auto."
- I. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers;
6. Vehicles not described in 1., 2., 3. or 4. 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" but will be considered "autos":

- a. Equipment designed primarily for:
    - (1) Snow removal;
    - (2) Road maintenance, but not construction or resurfacing;
    - (3) Street cleaning;
  - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- J. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- K. "Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:
1. Malicious prosecution;
  2. 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 by or on behalf of its owner, landlord, or lessor;
  3. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  4. Oral or written publication of material that violates a person's right of privacy.
- L. "Pollutants" mean 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.
- M. 1. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
- a. Products that are still in your physical possession; or
  - b. Work that has not yet been completed or abandoned.
2. "Your work" will be deemed completed at the earliest of the following times:
- a. When all of the work called for in your contract has been completed.
  - b. When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

3. This hazard does not include "bodily injury" or "property damage" arising out of:

- a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- b. The existence of tools, uninstalled equipment or abandoned or unused materials;
- c. Products or operations for which the classification in this Coverage Form or in our manual of rules includes products or completed operations.

**N. "Professional health care services" means any medical, surgical, nursing, psychiatric or dental service, except:**

- 1. The acts of certified emergency medical service personnel in the course and scope of their duties; or
- 2. The acts of a Medical Director in the course and scope of their duties as outlined in Florida Statute 401.265.

**O. "Property damage" means:**

- 1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- 2. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the "occurrence" that caused it.

**P. "Suit" means a civil proceeding in which damage because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this coverage agreement applies are alleged. "Suit" includes:**

- 1. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- 2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**Q. "Your product"**

- 1. means: any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - a. You;
  - b. Others trading under your name; or
  - c. A person or organization whose business or assets you have acquired; and
- 2. means: containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- 3. includes: warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- 4. Includes: the providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

**R. "Your work"**

- 1. means: work or operations performed by you or on your behalf; and
- 2. means: materials, parts or equipment furnished in connection with such work or operations.

3. includes: warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
4. includes: the providing of or failure to provide warnings or instructions.



## PUBLIC ENTITY

### PREFERRED ENDORSEMENT

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

This endorsement modifies coverage provided under the **GENERAL LIABILITY COVERAGE FORM, PGIT MN-200, and LAW ENFORCEMENT LIABILITY PGIT MN-208:**

This coverage does not apply to any liability:

- A. Arising out of or caused or contributed to by any ownership, maintenance, operation, use, loading, unloading or control of or responsibility for any airfield, aircraft, runway, hangar, building or other property or facility designed for, used, connected, associated or affiliated with or in any way related to aviation or aviation activities; this exclusion does not apply to premises exposure for those common areas open to the public including but not limited to parking areas, sidewalks, and terminal buildings.
- B. Alleging, based upon, arising out of or attributable to inverse condemnation, eminent domain, temporary or permanent taking, adverse possession, dedication by adverse use, condemnation proceedings, or claims brought under Florida Statute 70.001, the "Bert J. Harris, Jr., Private Property Rights Protection Act," or any similar claim by whatever name called.

However, we will pay up to \$300,000 per occurrence and aggregate, inclusive of expenses and after the application of the General Liability Deductible for a claim alleging, based upon, arising out of or attributable to inverse condemnation, eminent domain, temporary or permanent taking, adverse possession, dedication by adverse use, condemnation proceedings, or claims brought under Florida Statute 70.001, the "Bert J. Harris, Jr., Private Property Rights Protection Act," or any similar claim by whatever name called;

- C. arising out of, in connection with or caused or contributed to by any failure or inability to supply or any interruption of any adequate quantity of power, steam, pressure, or fuel;
- D. arising out of or caused or contributed to by any subsidence, erosion or earth movement. We do not insure for such loss regardless of: (1) the cause of the excluded event; or (2) other causes of the loss; or (3) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (4) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural, man-made, or external forces, or occurs as a result of any combination of these.
- E. arising out of or caused or contributed to by any operation, maintenance, use, ownership or control of or responsibility for any:
  - 1. Hospital;
  - 2. Clinic;
  - 3. Treatment center or other public medical, psychiatric or psychological facility
  - 4. Medical, psychiatric or psychological treatment facility or infirmary at a prison, jail or other correctional facility of incarceration
  - 5. Any other facility which is similar or related to any of the foregoing;
- F. arising out of "bodily injury" or "property damage" if such "bodily injury" or "property damage" is due to the rendering or failure to render any "professional health care services," but not including emergency medical services for first aid performed by emergency medical technicians, paramedics or Medical Director while in the course and scope of their duties.

- G. arising out of or caused or contributed to by or connected with any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (Public Law 93-406) or any amendment thereto or any similar provision of any local, state or federal law, statutory or common.
- H. arising out of or caused or contributed to by any actual or alleged illegal discrimination;
- I. arising out of the sale or distribution or handling of contaminants or pollutants including but not limited to acids, alkylides, chemicals, fungus, metals, mold or bacteria in water sold, handled or distributed on behalf of the named COVERED PARTY.
- J. arising out of any claim for injunctive, declaratory, or equitable relief and costs inclusive of any attorney's fees arising there from.
- K. arising out of or caused by or contributed to by any actual or alleged deterioration, bursting, inadequacy, design of, control of, maintenance of, or any other alleged responsibility for any structure device, or water course, natural or man-made, including but not limited to: dams, reservoirs, levees, banks, embankments, gates, canals, ditches, gutters, sewers, aqueducts, channels, culverts, retaining walls, drains, tanks, watersheds, or drains, a purpose of which is the containing, carrying, impeding, channeling, diverting, or draining of water or other liquid. However, if coverage is provided in Section I.E.1. of the General Liability Coverage Form, PGIT MN-200 by virtue of limits being shown on the Declarations Page, then this Section K shall not apply To the coverage provided in Section I.E of the General Liability Coverage Form, PGIT MN-200, but only as to the bursting or failure of man-made sewer, storm water, grey water, or potable water supply pipes owned and maintained by you.
- L. arising out of any activity or function by or on behalf of any law enforcement agency or any agent thereof and/or activity or function related to the administration of the criminal justice system, including secondary employment of any law enforcement official. Except this exclusion will not apply to your vicarious liability arising out of an act or omission by a law enforcement agency that is not owned, operated or controlled by the "covered party" if the "covered party" has contracted with an outside agency to provide law enforcement for your entity. This coverage will be capped at the lesser of the per occurrence limit of liability shown on the general liability coverage part declarations or at \$2,000,000. Item L is deleted entirely if Law Enforcement Liability PGIT MN-208 is part of the coverage agreement.
- M. arising out of "bodily injury" or "property damage" if such "bodily injury" or "property damage" is due to the rendering or failure to render any "professional health care services" if the **Covered Party**:
  - 1. Is not properly licensed or their license is under suspension or has been revoked, surrendered, or otherwise terminated. This exclusion applies only to the **Covered Party** whose license is suspended, revoked, surrendered, or otherwise terminated.
  - 2. Is under the influence of intoxicants or drugs. This exclusion applies only to the **Covered Party** that was under the influence of intoxicants or drugs.
- N. arising from sexual abuse by any **Covered Party** committed after initial discovery by any official, trustee, director, officers, or partners of sexual abuse by such **Covered Party**, whether the sexual abuse was before or after such **Covered Party** was hired by you. However, discovery does not include discovery by the official, trustee, director, officer, or partner who committed such sexual abuse.
  - 1. Sexual abuse means any actual, attempted or alleged sexual abuse or sexual molestation of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. Sexual abuse includes: sexual molestation, sexual assault, sexual exploitation or sexual injury.
  - 2. There is no coverage for either defense or indemnification of any employee or volunteer for sexual abuse, with respects to any claim based on or arising out of sexual abuse. Such employee or volunteer worker is not covered as respects to such claim.
  - 3. The annual aggregate limit of liability for all sexual abuse claims is \$5,000,000



## PUBLIC ENTITY

### EMPLOYEE BENEFITS LIABILITY COVERAGE (Occurrence)

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

This endorsement modifies coverage provided under the **GENERAL LIABILITY COVERAGE FORM, PGIT MN-200:**

**A. The following is added to SECTION I – COVERAGES:  
COVERAGE – EMPLOYEE BENEFITS LIABILITY**

**1. Coverage Agreement**

- a. We will pay those sums that the covered party becomes legally obligated to pay as damages because of any act, error or omission, of the covered party, or of any other person for whose acts the covered party is legally liable, to which this coverage applies. We will have the right and duty to defend the covered party against any "suit" seeking damages. However, we will have no duty to defend the covered party against any "suit" seeking damages to which this coverage does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits of Coverage); and  
(2) Our right and duty to defend ends when we have used up the applicable limit of coverage in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This coverage applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";  
(2) The act, error or omission occurs during the coverage agreement period.

**2. Exclusions**

This coverage does not apply to:

- a. Dishonest, Fraudulent, Criminal or Malicious Act  
Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any covered party, including the willful or reckless violation of any statute.
- b. Bodily Injury, Property Damage, or Personal and Advertising Injury  
"Bodily injury," "property damage" or "personal and advertising injury."
- c. Failure to Perform A Contract  
Damages arising out of failure of performance of contract by any insurer.
- d. Insufficiency of Funds  
Damages arising out of an insufficiency of funds to meet any obligation under any plan included in the "employee benefit program."
- e. Inadequacy of Performance of Investment/Advice Given with Respect to Participation  
Any "claim" based upon:  
(1) Failure of any investment to perform;  
(2) Errors in providing information on past performance of investment vehicles; or  
(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program."

f. **Workers' Compensation and Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provision of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. **ERISA**

Damages for which any covered party is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. **Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the covered party, from the applicable funds accrued or other collectible insurance.

i. **Taxes, Fines or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement Paragraphs **2., 8., 9., and 10.** of the Supplementary Payments do not apply.

C. For the purposes of the coverage provided by this endorsement, the following is added to **Section II – Who Is a Covered Party**:

1. Each of the following is also a covered party:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program."
  - b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
  - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
2. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Covered Party if no other similar insurance applies to that organization. However:
- a. Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the coverage agreement period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

D. For the purposes of the coverage provided by this endorsement, **Section III – Limits of Coverage** is replaced by the following:

1. **Limits of Coverage**

- a. The Limits of Coverage shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Covered Parties
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program."

- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program."
- c. Subject to the Aggregate Limit, the Occurrence Limit is the most we will pay for all damages sustained by any "employee," including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

- (1) An act, error or omission; or

- (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program."

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program."

The Limits of Coverage of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the coverage agreement period shown in the Declarations of the coverage agreement to which this endorsement is attached, unless the coverage agreement period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Coverage.

## **2. Deductible**

- a. Our obligation to pay damages on behalf of the covered party applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable per occurrence. The limits of coverage shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any "employee," including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions in which this coverage applies.
- c. The terms of this coverage, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved covered party, in the event of an act, error or omission, or "claim" apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

## **E. For the purposes of the coverage provided by this endorsement, Conditions B. and D. of Section IV – Commercial General Liability Conditions are replaced by the following:**

### **B. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**

- 1. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim." To the extent possible, notice should include:
  - a. What the act, error or omission was and when it occurred; and
  - b. The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- 2. If a "claim" is made or "suit" is brought against any covered party, you must:
  - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
  - b. Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

- 3. You and any other involved covered party must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit," and

- d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the covered party because of an act, error or omission to which this coverage may also apply.
  - 4. No covered party will, except at that covered party's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
- F. For the purposes of the coverage provided by this endorsement, the following definitions are added to the Definitions Section:
- 1. "Administration" means:
    - a. Providing information to "employees," including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
    - b. Handling records in connection with the "employee benefit program"; or
    - c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program."However, "administration" does not include handling payroll deductions.
  - 2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
  - 3. "Claim" means any demand, or "suit," made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
  - 4. "Employee benefit program" means a program providing some or all of the following benefits to "employees," whether provided through a "cafeteria plan" or otherwise:
    - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, 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 plans, are made generally available to those "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; and
    - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- G. For the purposes of the coverage provided by this endorsement, Definition P. of **Section V – Definitions** is replaced by the following:
- P. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this coverage applies are alleged. "Suit" includes:
- 1. An arbitration proceeding in which such damages are claimed and to which the covered party must submit or does submit with our consent; or
  - 2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the covered party submits with our consent.



## PUBLIC ENTITY

### GENERAL LIABILITY DEDUCTIBLE LIABILITY COVERAGE

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

ENDORSEMENT EFFECTIVE: 10/01/2019

#### THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY

This endorsement modifies coverage provided under the **GENERAL LIABILITY COVERAGE FORM**,  
PGIT MN-200:

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

This endorsement changes the agreement effective on the inception date of the agreement unless another date is indicated above.

#### SCHEDULE

##### GENERAL LIABILITY

Bodily Injury Liability OR	\$	Per "Claim" \$	Per "Occurrence"
Property Damage Liability OR	\$	Per "Claim" \$	Per "Occurrence"
Bodily Injury Liability and/or	\$	Per "Claim" \$200,000	Per "Occurrence"
Property Damage Liability Combined		SIR	

##### EMPLOYEE BENEFITS

Bodily Injury Liability OR	\$	Per "Claim" \$	Per "Occurrence"
Property Damage Liability OR	\$	Per "Claim" \$	Per "Occurrence"
Bodily Injury Liability and/or	\$	Per "Claim" \$200,000	Per "Occurrence"
Property Damage Liability Combined		SIR	

##### LAW ENFORCEMENT LIABILITY

Bodily Injury Liability OR	\$	Per "Claim" \$	Per "Occurrence"
Property Damage Liability OR	\$	Per "Claim" \$	Per "Occurrence"
Bodily Injury Liability and/or	\$	Per "Claim" \$100,000	Per "Occurrence"
Property Damage Liability Combined		SIR	

*(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)*

**APPLICATION OF ENDORSEMENT** (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage," however caused):

- A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the schedule above as applicable to such coverages.
- B. You may select a deductible amount on either a per claim or per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the schedule above applies as follows:

1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
  - a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
  - b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
  - c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
    - (1) "Bodily injury";
    - (2) "Property damage"; or
    - (3) "Bodily injury" and "property damage" combined as the result of any one "occurrence."

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury," a separate deductible amount will be applied to each person making a claim for such damages. With respect to "property damage," person includes an organization.
2. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:
  - a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
  - b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
  - c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
    - (1) "Bodily injury";
    - (2) "Property damage"; or
    - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence," regardless of the number of persons or organizations who sustain damages because of that "occurrence."

**C.** The terms of this coverage, including those with respect to:

1. Our right and duty to defend the Covered Party against any "suits" seeking those damages; and
2. Your duties in the event of an "occurrence," claim or "suit" apply irrespective of the application of the deductible amount.

**D.**

1. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
2. In the event that an occurrence, accident or offense continues beyond the coverage period, the applicable deductible would apply separately to each coverage period in which the occurrence, accident or offense was committed or was alleged to have been committed.



## PUBLIC ENTITY

### LAW ENFORCEMENT LIABILITY

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

This endorsement modifies coverage provided under the **GENERAL LIABILITY COVERAGE FORM, PGIT MN-200:**

Exclusion p. under **Section I Coverage A**, which reads:

This coverage agreement does not apply to "bodily injury" or "property damage" arising out of any actual or alleged act or omission resulting from law enforcement activities of your police department or any of your other law enforcement agencies, including their agents or employees.

Is deleted in its entirety.

The following is added:

#### **A. COVERAGE – LAW ENFORCEMENT LIABILITY**

##### **1. Coverage Agreement**

We will pay on behalf of the covered party all sums which the covered party shall become legally obligated to pay as "damages" because of loss or injury sustained by any person or organization and arising out of one or more of the following offenses committed in the conduct of the named covered party's business:

- Group A False arrest, detention or imprisonment, or malicious prosecution;
- Group B The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right to privacy, except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named covered party.
- Group C Wrongful entry or eviction, or other invasion of the right of private occupancy;
- Group D Erroneous service of civil papers, false imprisonment, or assault and battery.

If such offense is committed during the agreement period within the United States of America, its territories or possessions, or Canada, the Trust shall have the right and duty to defend any suit against the covered party seeking "damages" on account of such loss or injury even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Trust shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the trust's liability, as stated in the agreement, has been exhausted by payment of judgments or settlements.

##### **2. Exclusions**

This coverage does not apply to:

- a. Liability assumed by the covered party under any contract or agreement, except for those assumed in a mutual aid or reciprocal law enforcement contract or agreement;
- b. Law enforcement liability arising out of:
  - (1) The willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any covered party; or
  - (2) Failure to follow statutory procedures for seizing property under the Florida Contraband Forfeiture Act.
- c. Law enforcement liability arising out of any publication or utterance described in Group B, if the first injurious publication or utterance of the same or similar material or by on behalf of the named covered party was made prior to the effective date of this coverage;

- d. Law enforcement liability arising out of a publication or utterance described in Group B concerning any organization or business enterprise, or its products or services, made by or at the direction of any covered party with knowledge of the falsity thereof.
- e. Workers' Compensation, Employers' Liability and Similar Laws
  - (1) Any obligation of the covered party under a workers' compensation, disability benefits or any unemployment compensation law or similar laws;
  - (2) Any "damages" resulting from injury to:
    - (a) An employee of the covered party arising out of and in the course of:
      - (i) Employment by the covered party; or
      - (ii) Performing duties related to the conduct of the covered party business; or
    - (b) The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above.
  - (3) This exclusion applies:
    - (a) Whether the covered party may be held liable as an employer or in any other capacity; and
    - (b) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.
- f. War
 

Any "damages" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.
- g. Criminal Acts
 

Any "damages" arising out of any dishonest, fraudulent, criminal, or malicious act or omission of any covered party.
- h. Aircraft, Auto or Watercraft
 

Any "damages" arising out of the ownership, maintenance, operation, use, transportation, chartering, renting or entrustment of others of any aircraft, "auto," or watercraft owned or operated by or rented or loaned to any covered party.
- i. Employment Injury
 

Any "damages" arising out of any:

  - (1) Refusal to employ;
  - (2) Termination of employment;
  - (3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or other employment-related practices, policies, acts or omissions; or
  - (4) Consequential injury as a result of (1) through (3) above.

This exclusion applies whether the covered party may be held liable as an employer or in any other capacity and to any obligation to share "damages" with or to repay someone else who must pay "damages" because of any of the above acts or omissions.
- j. Non-monetary "Damages"
  - (1) Any "damages" arising out of any actions, claims, "suits" or demands seeking relief or redress in any form other than money "damages"; or
  - (2) Any costs, fees or expenses which the covered party may become obligation to pay as a result of an adverse judgment for injunctive or declaratory relief.
- k. Federal Acts
 

This coverage does not apply to any obligation of the covered party under the Jones Act, General Maritime Law, the Federal Employers Liability Act, the Federal Employees Compensation Act, the Defense Base Act or the U.S. Longshore and Harbor Workers Compensation Act.

## **B. PERSONS COVERED**

Each of the following is a covered party under this agreement to the extent set forth below:

1. if the named covered party is designated in the declarations as an individual, the person so designated and their spouse;
2. if the named covered party is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to their liability as such;
3. if the named covered party is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of their duties as such.

This coverage does not apply to law enforcement liability arising out of the conduct of any partnership or joint venture of which the covered party is a partner or member and which is not designated in this coverage agreement as a named covered party.

#### **C. LIMIT OF LIABILITY**

1. The Limits of Coverage shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Covered parties;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits."
2. The Aggregate Limit is the most we will pay for all "damages" to which this coverage applies.
3. Subject to 2. Above, the Each Occurrence Limit is the most we will pay for all "damages" arising out of any one "occurrence."
4. Subject to 2. and 3. above, the Each Person Limit is the most we will pay for "damages" to any one claimant.

#### **D. ADDITIONAL DEFINITIONS**

When used in reference to this endorsement:

**"damages"** means only those damages which are payable because of loss or injury arising out of an offense to which this coverage applies.

**"police/peace officer"** is defined as a member of an official civil police or sheriff's force or a department of the named covered party organized to maintain order, prevent and detect crime and enforce law. This includes a department of corrections, jailers and bailiffs.

#### **E. ADDITIONAL CONDITIONS**

##### **Consent to Settle**

We will consult with you when we settle claims or "suits," if you refuse to consent to any settlement offer we receive and you elect to contest the claim or "suit" or continue any legal proceeding in connection with such claim or "suit," our liability will not exceed the settlement offer plus supplementary payments incurred as of the date of such refusal.



## PUBLIC ENTITY

### EXCESS WORKERS COMPENSATION COVERAGE PART DECLARATIONS

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

#### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

##### Self Insured Retention

All Employees

\$50,000 Accident Limit

\$50,000 Each Employee for Disease

##### Coverage

###### Part One – Workers' Compensation

Bodily Injury by Accident  
Bodily Injury by Disease

Statutory Each Accident  
Statutory Each Employee

###### Part Two – Employers Liability

Bodily Injury by Accident  
Bodily Injury by Disease  
Bodily Injury by Disease

\$ 1,000,000 Each Accident  
\$ 1,000,000 Agreement Limit  
\$ 1,000,000 Each Employee

Estimated Payroll Amount – Police & Fire

\$20,000,000

Estimated Payroll Amount – All Other Employees

\$15,000,000

##### FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of the coverage agreement at this time of issue:

See PGIT MN-002

Premium: \$ INCLUDED

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



## PUBLIC ENTITY

### EXCESS WORKERS COMPENSATION COVERAGE FORM

In return for the payment of the premium and subject to all terms of this coverage agreement, we agree with you as follows:

#### GENERAL SECTION

- A. Self-Insurance.** Your acceptance of this **Coverage Agreement** indicates that you are now and will remain until the end of the **Coverage Agreement** period a duly qualified self-insurer in Florida. If you are not a duly qualified self-insurer with respect to any loss covered by this **Coverage Agreement**, this **Coverage Agreement** will apply as if you were.
- B. Covered party.** The **Covered Party** is named in the declarations. If the **Covered Party** is a partnership or joint venture, each partner or member of the joint venture is a covered party only in the capacity as employer of employees of the partnership or joint venture.
- C. The Coverage Agreement.** This **Coverage Agreement** includes the declarations and any attached endorsements. It is a contract of coverage between you (the **Covered Party** named on the declarations) and us (the **Trust** named on the declarations). The only agreements related to this coverage are stated in this coverage agreement. The terms of this **Coverage Agreement** may not be changed or waived except by endorsement issued by us to be a part of this **Coverage Agreement**.
- D. Coverage Agreement Period** means the period of time covered by this **Coverage Agreement** as shown in the declarations. If this **Coverage Agreement** is cancelled, the **Coverage Agreement** period will end at 12:01 A.M. on the cancellation date.
- E. Workers' Compensation Law** includes occupational disease law. It does not include the provisions of any law that provides non-occupational disability benefits.
- F. Subrogation**
1. In the event of any payment under this **Coverage Agreement**, we shall be subrogated to all of your rights of recovery therefore against any person or organization, and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.
  2. You shall not act (or fail to act, as the case may be) in any manner that will prejudice our subrogation rights.
- G. Exclusions:**
1. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal works or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.
  2. Bodily injury to any person subject to the Federal Employers' Liability Act (45 USC Sections 051-060) and any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course and scope of employment, or any amendments to those laws.
  3. Bodily injury to a master or member of the crew of any vessel.
  4. Fines or penalties imposed for violation of federal or state law.
  5. Damages payment under the Migrant and Seasonal Agricultural Workers' Compensation Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulation issued thereunder, and any amendments to those laws.

**H. Late Reporting Penalty.** As respects each accident or each employee for disease:

1. If you do not give us written notice within one year of when required by Part Three, our indemnity will be reduced by 15%
2. If you do not give us written notice within three years of when required by Part Three, our indemnity will be reduced by 40%.

**PART ONE - WORKERS' COMPENSATION**

**A. How This Part Applies.** Part One applies to loss paid by you because of liability imposed upon you by the workers' compensation law of Florida. **LIABILITY MUST RESULT FROM BODILY INJURY BY ACCIDENT OR BODILY INJURY BY DISEASE SUSTAINED BY AN EMPLOYEE YOU EMPLOY IN FLORIDA.** Bodily injury includes resulting death.

Bodily injury by accident must occur during this period. A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the coverage agreement period. Bodily injury by disease does not include disease that results directly from bodily injury by accident. **Bodily injury by disease includes cumulative trauma.**

**B. Your Retention.** You must retain loss as shown in the declarations. This retention applies to Part One loss and to Part Two loss together. **IT IS IMPORTANT FOR YOU TO UNDERSTAND THAT YOUR RETENTION FOR DISEASE APPLIES SEPARATELY TO EACH EMPLOYEE.** Naming more than one covered party in the declarations does not increase your retention.

**C. Our Indemnity.** We will indemnify you for loss paid by you in excess of your retention. This indemnity may be reduced by a late reporting penalty.

**D. Our Limit.** The most loss we will reimburse you for with respect to each accident is shown in the declarations. The most loss we will reimburse you for with respect to each employee for disease is shown in the declarations. Naming more than one **Covered Party** in the declarations does not increase our limit.

**E. Loss** means the amount actually paid by you for regular benefits provided under the workers' compensation law in effect upon the date the accident or disease exposure occurs. Loss includes:

1. The amount paid by you in settlement of claims for regular benefits under the workers' compensation law;
2. The amount paid by you in satisfaction of awards or judgments for regular benefits under the workers' compensation law;
3. Court Costs, interest upon awards and judgments, and allocated investigation, adjustment and legal expenses pertaining to workers' compensation claims. This subparagraph 3 does not include:
  - a. salaries paid to your employees;
  - b. service company fees;
  - c. claims administrator fees.

**F. Exclusions.** Part One does not cover:

1. Loss insured by full coverage workers' compensation or employers liability insurance;
2. Loss payable under the workers' compensation law of any state other than Florida, if you are protected from the loss by any other insurance.
3. Any loss arising out of operations for which you have rejected any workers' compensation law;
4. Punitive or exemplary damages;
5. Any assessment made upon self-insurers, whether imposed by statute, regulation or otherwise.

**G. Payments You Must Make.** You are responsible (without reimbursement from us) for any payments in excess of the benefits regularly provided by the workers' compensation law including those required because:

1. Of your serious and willful misconduct;
2. You knowingly employ an employee in violation of law;

3. You fail to comply with a health or safety law or regulation;
4. You discharge, coerce or otherwise discriminate against any employee in violation of the workers' compensation law; or
5. You violate or fail to comply with any workers' compensation law.

**H. Other Insurance.** If, as respects Florida, any other insurance exists protecting you against loss covered by this Coverage Agreement, this Coverage Agreement shall apply in excess of the other insurance.

## **PART TWO - EMPLOYERS LIABILITY**

**A. How This Part Applies.** Part Two applies to loss paid by you for damages imposed upon you by the laws of Florida. **DAMAGES MUST RESULT FROM BODILY INJURY BY ACCIDENT OR BODILY INJURY BY DISEASE SUSTAINED BY AN EMPLOYEE YOU EMPLOY IN FLORIDA.** Bodily injury includes resulting death.

Bodily injury must arise out of and in the course of the injured employee's employment by you.

Bodily injury by accident must occur during the coverage agreement period. A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the coverage agreement period. Bodily injury by disease does not include disease that results directly from bodily injury by accident. **Bodily injury by disease includes cumulative trauma.**

**B. Your Retention.** You must retain loss as shown in the declarations. This retention applies to Part One loss and Part Two loss together. **IT IS IMPORTANT FOR YOU TO UNDERSTAND THAT YOUR RETENTION FOR DISEASE APPLIES SEPARATELY TO EACH EMPLOYEE.** Naming more than one Covered party in the declarations does not increase your retention.

**C. Our Indemnity.** We will indemnify you for loss paid by you in excess of your retention. This indemnity may be reduced by a late reporting penalty.

**D. Our Limit.** The most loss we will reimburse you for with respect to each accident is shown in the declarations. The most loss we will reimburse you for with respect to each employee for disease is shown in the declarations. Naming more than one Covered party in the declarations does not increase our limit.

**E. Loss** means the amount actually paid by you for damages imposed upon you by law. Loss includes:

1. The amount paid by you in settlement of claims for legal damages;
2. The amount paid by you in satisfaction of awards or judgments for damages;
3. Court costs, interest upon awards and judgments, and allocated investigation, adjustment and legal expenses pertaining to employers liability claims. This subparagraph 3 does not include:
  - a. salaries paid to your employees;
  - b. service company fees;
  - c. claims administrator fees.

**F. Damages** includes:

1. Damages for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee; and
2. Damages for care and loss of services; and
3. Damages for consequential bodily injury to a spouse, child, parent, brother or sister of the covered employee;  
Provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the covered employee's employment by you; and
4. Damages because of bodily injury to your employee that arise out of and in the course of employment, claimed against you in a capacity other than as employer.

**G. Exclusions.** Part Two does not cover:

1. Liability assumed under a contract;
2. Loss payable under the law of any other state than Florida, if you are protected from the loss by any other insurance;
3. Punitive or exemplary damages;
4. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers.
5. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
6. Bodily injury intentionally caused or aggravated by you. This exclusion does not apply to claim expenses (listed in subparagraph 3 of the definition of loss) related to the injury;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury occurring outside the United States of America. This exclusion does not apply to bodily injury to a citizen or resident of Florida who is temporarily working outside the United States for the Covered party;
9. Damages arising out of operations for which you:
  - a. have violated or failed to comply with any workers' compensation law, or
  - b. have rejected any workers' compensation law.

**I. Other Insurance.** If, as respects Florida, any other insurance exists protecting you against loss covered by this Coverage Agreement, this Coverage Agreement shall apply in excess of the other insurance.

**PART THREE - CLAIMS**

**A. Your Claims Handling Duties.** It is your responsibility to investigate, settle, defend and appeal any claim made against you. It is also your responsibility to investigate, settle, defend and appeal any suit brought or other proceedings instituted against you.

You shall have the obligation to pursue a reasonable settlement and accept any reasonable offer of settlement of any such claim, suit, or other proceedings. You shall use diligence and prudence to settle all such claims, suits, or other proceedings which in the exercise of sound judgment should be settled. However, you shall not make or agree to any settlement for any sum in excess of the Self Insured Retention without the approval of the Trust. In the event of your failure to comply with this paragraph, the Trust shall owe no duty to indemnify you for any loss, cost, or expense paid by you in excess of your Self Insured Retention.

**B. Your Claims Reporting Duties.** It is important for you to understand that "Written Notice" shall contain complete details of the injury, disease or death. Providing loss runs does not constitute notice.

1. You must give us written notice as soon as you learn of any of the following events involving loss which exceed (or might in the future exceed) 50% of your retention:
  - a. claim;
  - b. award;
  - c. verdict;
  - d. action;
  - e. suit;
  - f. proceeding;
  - g. judgment.

2. You must give us immediate (within 14 days) written notice of any accident involving:

- a. fatality;
- b. spinal cord injury, quadriplegia, paraplegia, or paralysis
- c. a permanent total disability as defined in the workers' compensation law;
- d. serious burn injury;
- e. brain injury;
- f. amputation of a major member.
- g. Loss of vision or any other senses
- h. Massive internal injuries affecting body organ or organs
- i. All workers' compensation employer liability claims
- j. Disabilities for a period of six (6) months or more
- k. Bodily injury to two (2) or more covered employees from a single accident

**C. Claims Information.** You agree to send to us any claims information which we may request.

**D. Claims Participation By Us.** At our own election and expense, we have the right and shall be given the opportunity to participate with you in the settlement, defense or appeal of any claim, suit or proceeding which might involve a loss to us. We have no duty to investigate, handle, settle or defend any claims, suits, or proceedings against you.

**E. Proof of Loss.** When paid loss exceeds your retention, you must provide us with a payment register listing all payments made on the claim. We will reimburse you the amount you have paid in excess of your retention, within 30 days of receiving in a form acceptable to us, a complete and proper proof of loss.

**F. Commutation.** Beginning thirty-six (36) months after receipt of notice by us of a claim, we may then, or at any time after, submit the claim for commutation. If we so elect, the claim shall be submitted to an actuary or appraiser to be mutually appointed by you and us. Should we both fail to agree upon an actuary or appraiser, then each party shall select an actuary or appraiser who shall then select an independent actuary, or appraiser who shall fix a lump sum amount. We may pay the lump sum amount, which shall constitute a full and final release of our liability for the claim. However, such lump sum payment shall not constitute a full and final release of our liability if, after the lump sum payment, any supplemental award is made increasing the amount of benefits payable to the Employee and his/her dependents. Any additional liability, at our election, may immediately be commuted via the process above and we may discharge such liability payment of another lump sum.

**G. Claim Audit.** You will let us or our representative examine and audit claim files upon our request. These audits may be conducted during your regular business hours.

#### **PART FOUR - PREMIUM**

**A. Deposit and Adjustment Premiums.** At the beginning of the **Coverage Agreement** period you must pay us the deposit premium shown in the declarations.

At the end of the **Coverage Agreement** period:

- 1. You will owe us the amount by which the final premium is greater than the deposit premium; or
- 2. We will owe you the amount by which the deposit premium is greater than the final premium.

**B. Payroll Report.** Within 45 days after the end of the **Coverage Agreement Period**, send us a report showing the amount of payroll earned by your employees during the **Coverage Agreement Period**. The report must show payroll separately for each classification.

**C. Final Premium.** The final premium due us for the coverage agreement period will be computed based on audited payrolls. The final premium will be calculated pro rata based on the time this **Coverage Agreement** was in force. Final premium will not be less than the minimum premium.

- D. **Payroll** means the gross pay of your employees for the coverage agreement period plus other amounts and items received by your employees as part of their pay for the coverage agreement period. We will send you a payroll reporting form describing what is included in payroll.
- E. **Records.** You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.
- F. **Audit.** You will let us or our representatives examine and audit all your payroll records. The audits may be conducted during your regular business hours.

#### **PART FIVE - CONDITIONS**

- A. **Agreement Upon Terms.** Your acceptance of this **Coverage Agreement** means that you agree with us upon the terms of this **Coverage Agreement**.
- B. **Sole Representation.** The **Covered Party** first named in the declarations will act on behalf of all **Covered Parties** to change this **Coverage Agreement**, accept loss payments, receive return premium and give or receive notice of cancellation.
- C. **Bankruptcy or Insolvency.** Your bankruptcy or insolvency will not relieve us from the payment of any claim covered by this **Coverage Agreement**. After the retention shown on the declarations has been paid, we will make payments as if you had not become bankrupt or insolvent but not in excess of the **Trust's** Limit of Indemnity. An appropriate court will make payment to the Trustee in Bankruptcy or as directed.
- D. **Transfer of Your Rights and Duties.** Your rights or duties under this **Coverage Agreement** may not be transferred without our written consent. This provision does not apply to duties transferred to a Third Party Administrator a claims administrator.
- E. **Service and Administration.** This **Coverage Agreement** contemplates the concurrent and continued existence of separate Third Party Administrator service agreement between you and a Third Party Administrator approved by us. You must notify us within 60 days should you decide to change the Third Party Administrator.



**PUBLIC ENTITY**

**LIMITED COVERAGE FOR DESIGNATED  
UNMANNED AIRCRAFT**

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

This endorsement modifies coverage provided under the **GENERAL LIABILITY COVERAGE FORM, PGIT-MN 200:**

**SCHEDULE**

Description of Unmanned Aircraft

Description of Operation(s)

Limit of Insurance

<b>Unmanned Aircraft Liability Per Occurrence/Annual Aggregate Limit: \$500,000</b>
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**A. Exclusion 2.g. Aircraft, Auto or Watercraft under Section I - Coverage A - Bodily Injury and Property Damage Liability** is deleted in its entirety and replaced by the following:

**2. Exclusions**

This coverage agreement does not apply to: **g. Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any covered party. Use includes "loading or unloading".

This exclusion applies even if the claims against any covered party allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that covered party, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any covered property. This exclusion does not apply to:

**1. Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an unmanned aircraft. Use includes operation and "loading and unloading".

This paragraph **g.(1)** applies even if the claims against any covered party allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of the others by that covered party, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an unmanned aircraft.

**2. A watercraft while ashore on premises you own or rent;**

**3. A watercraft less than 52 feet long that is not being used to carry persons or property for a charge;**

**4. Liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft; or**

**5. "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph 5. a. or 5. b. of the definition of "mobile equipment" (SECTION V(1)).**

**B. The following exclusion 2.k is added to Paragraph 2. Coverage 1. B. 2. Personal and Advertising Injury Liability - Exclusions:**

**2. Exclusions**

This coverage agreement does not apply to: **k. "Personal injury" or "advertising injury"** arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an unmanned aircraft. Use includes operation and "loading or unloading".

This exclusion applies even if the claim against any covered party allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that covered party, if the offense which caused the "personal injury" or "advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an unmanned aircraft.

**C. If an Unmanned Aircraft Liability Aggregate Limit is shown in the Schedule, the following provisions are added to Section III - Limits of Coverage:**

**1. Subject to Paragraph B. of Section III - Limits of Coverage, the Unmanned Aircraft Liability Aggregate Limit shown in the Schedule is the most we will pay, inclusive of expenses and after the General Liability Deductible or SIR, for the sum of:**

- a. Damages under Coverage A;
- b. Damages under Coverage D;

because of all "bodily injury", "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an unmanned aircraft. Notwithstanding the foregoing, the most we will pay for Damages under Coverage D is the limit stated for Medical Payments shown on the Declarations Page and if no limit is shown, nothing will be paid for Coverage D.

This coverage agreement endorsement applies only to the unmanned aircraft actually listed and described in the Schedule above and further, applies only to the specific operation(s) of the unmanned aircraft actually listed and described in the Schedule above.



## PUBLIC ENTITY

### PUBLIC OFFICIALS & EMPLOYMENT PRACTICES LIABILITY COVERAGE PART DECLARATIONS

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

#### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

##### Deductibles

Employment Practices Liability	\$50,000 SIR
Public Officials Liability	\$50,000 SIR

Coverage is only provided for the coverages indicated by an X.

##### Coverage

<input checked="" type="checkbox"/>	Employment Practices Liability	\$5,000,000 \$5,000,000	Per Claim Aggregate Limit
	Retroactive Date	10/01/2016	
<input checked="" type="checkbox"/>	Public Officials Liability	\$5,000,000 \$5,000,000	Per Claim Aggregate Limit
	Retroactive Date	10/01/2016	

**Note for Claims Made coverage:** If no Retroactive Date is shown above, claims will not be excluded based on the date the act was committed.

#### FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of the coverage agreement at this time of issue:

See PGIT MN-002

Premium: \$ INCLUDED

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



## PUBLIC ENTITY

### PUBLIC OFFICIALS LIABILITY AND EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (Claims Made and Reported)

In consideration of the payment of the premium, in reliance upon the **Application**, and subject to the Declarations and the terms and conditions of this **Coverage Agreement**, the **Covered Parties** and the **Trust** agree as follows:

#### **SECTION I - COVERAGE AGREEMENTS**

##### **A. Public Officials' Liability**

The **Trust** will pay on behalf of the **Covered Party** all sums in excess of the Deductible that the **Covered Party** shall become legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim** first made against the **Covered Party** and reported to the **Trust** during the **Agreement Period** or, if exercised, the **Extended Reporting Period**, by reason of a **Wrongful Act** in the performance of or failure to perform duties for the **Public Entity**. The **Wrongful Act** must have been committed on or subsequent to the **Retroactive Date** specified in the Declarations and before the end of the **Agreement Period**.

##### **B. Employment Practices Liability**

If coverage is granted pursuant to the Declarations, the **Trust** will pay on behalf of the **Covered Party** all sums in excess of the Deductible that the **Covered Party** shall become legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim** first made against the **Covered Party** and reported to the **Trust** during the **Agreement Period**, or if exercised, the **Extended Reporting Period**, by reason of a **Wrongful Act**, if such **Claim** is brought and maintained by or on behalf of any past, present or prospective full-time, part-time, temporary or leased employee(s) of the **Public Entity**. The **Wrongful Act** must have been committed on or subsequent to the **Retroactive Date** specified in the Declarations and before the end of the **Agreement Period**.

#### **SECTION II - SUPPLEMENTARY PAYMENTS**

##### **A. Pre-Termination**

If during the **Agreement Period** you report a potential termination of any employee to us prior to the time the termination is made, we will pay for consultation with legal counsel of our choice to provide:

1. Legal analysis concerning the appropriateness of the termination; and
2. If applicable, legal assistance in handling the termination.

The most we will pay is \$2,500 for each potential employee termination, subject to an **Agreement Period** aggregate of \$5,000.

##### **B. Non-Monetary claims**

The **Trust** shall defend and pay **Claims Expenses** for a claim seeking relief or redress in any form other than monetary damages, provided said claim is not otherwise excluded, subject to the following conditions:

1. Defense costs under this section have an annual aggregate limit of liability of \$100,000;
2. The **Trust** defends the **Claim** from first notice to **Covered Party**.
3. Notwithstanding any other provisions of this **Coverage Agreement**, the **Trust** will not pay any attorneys' fees, costs, or other expenses sought by a claimant arising out of or in connection with such non-monetary claim.

#### **SECTION III - DEFINITIONS**

When used in this **Coverage Agreement**:

- A. Agreement Period** the period of time specified in the Declarations, subject to prior termination pursuant to PGIT MN-090 A. Cancellation of the **Coverage Agreement**.

**B. Advertising Injury** means any damages based upon or arising out of a wrongful act from one or more of the following:

1. Violation of property rights;
2. Misappropriation of advertising ideas or style of business;
3. Infringement of copyright title or slogan.

**C. Application** means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the **Covered Parties** to the **Trust** in connection with the **Trust** underwriting this **Coverage Agreement** or any policy of which this **Coverage Agreement** is a direct or indirect renewal or replacement. All such applications, attachments, information and materials are deemed attached to and incorporated in this **Coverage Agreement**.

**D. Bodily Injury** means injury to the body, sickness, or disease, including death resulting from such injuries. **Bodily Injury** also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, whether or not resulting from injury to the body, sickness, disease or death of any person.

**E. Claim Expenses** means:

1. Reasonable and necessary attorneys' fees, expert witness fees and other fees and costs incurred by the **Trust**, or by the **Covered Party** with the **Trust's** prior written consent, in the investigation and defense of covered **Claims**;
2. Reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided the **Trust** shall have no obligation to apply for or furnish such bond; and
3. Prejudgment and post judgment interest awarded in any **Claim**.

**Claim Expenses** shall not include wages, salaries, fees or costs of directors, officers or employees of the **Trust** or the **Named Covered Party**.

**F. Claim** means:

1. A civil proceeding against any **Covered Party** seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading; and
2. An administrative proceeding including but not limited to EEOC or other regulatory proceeding against any **Covered Party**, commenced by the filing of a notice of charges, investigative order or similar document.

**G. Coverage Agreement** means, collectively, the Declarations, PGIT MN-090 The Common Agreement Conditions, the **Application**, this **Coverage Agreement** form and any endorsements.

**H. Covered Party** means:

1. The **Public Entity**;
2. All persons who were, now are or shall be lawfully elected or appointed officials or employees while acting for or on behalf of the **Public Entity**;
3. Commissions, boards, or other units, and members and employees thereof, operated by and under the jurisdiction of such **Public Entity** and within an apportionment of the total operating budget indicated in the application for this **Coverage Agreement**;
4. Volunteers and leased employees acting for or on behalf of, and at the request and under the direction of, the **Public Entity**;
5. Officials and employees of the **Public Entity** appointed at the request of the **Public Entity** to serve with a tax exempt entity as long as the tax exempt entity is operated by or under the jurisdiction of the **Public Entity**;
6. The Medical Director for the **Covered Party Florida Public Entity**, but solely while acting within the course and scope of their duties as Medical Director as outlined in Florida Statute 401.265.

**I. Damages** means compensatory damages which the **Covered Party** becomes legally obligated to pay on account of a covered **Wrongful Act**, by way of judgment, award or, with the prior written consent of the **Trust**, settlement. For purposes of this **Coverage Form** only, **damages** shall also

include attorneys' fees, costs, or other expenses which the **Covered Party** becomes legally obligated to pay by way of judgment, award or, with the prior written consent of the **Trust**, settlement.

**Damages** shall not include:

1. Taxes, fines, penalties, or sanctions;
2. Punitive or exemplary damages or the multiple portion of any multiplied damages award;
3. Matters uninsurable under the laws pursuant to which this **Coverage Agreement** is construed; or
4. The cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief.

**J. Extended Reporting Period** means the period for the extension of coverage, if exercised, described in Section VI.

**K. Personal Injury** means injury arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. Libel, slander or other defamatory or disparaging material;
4. Publication or an utterance in violation of an individual's right to privacy; and
5. Wrongful entry or eviction, or other invasion of the right to private occupancy.

**L. Pollutants** shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes acids, alkalis, chemicals or waste materials, including materials to be recycled, reconditioned, or reclaimed. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical scents or byproducts produced or released by fungi, but does not include any fungi intended by the **Covered Party** for consumption and electric or magnetic or electromagnetic field. **Pollutants** shall also include any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent.

**M. Property Damage** means:

1. Physical injury to, or loss or destruction of, tangible property, including the loss of use thereof; and
2. Loss of use of tangible property which has not been physically injured, damaged, or destroyed.

**N. Public Entity** means the municipality, governmental body, department or unit which is named in the Declarations.

**O. Related Claims** means all Claims arising out of a single **Wrongful Act** or a series of **Related Wrongful Acts**. All **Related Claims** that are made and reported before the end of the **Agreement Period** or any **Extended Reporting Period** provided shall be deemed to have been first made on the earliest date any **Related Claim** is first made against the **Covered Party**, regardless of whether that earliest date is before the **Agreement Period**, during the **Agreement Period**, or during the **Extended Reporting Period**, and regardless of the number of **Related Claims**, claimants, defendants or causes of action.

**P. Related Wrongful Acts** means all **Wrongful Acts** that have as a common nexus any act, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

**Q. Retaliation** means a **wrongful act** of a **Covered Party** relating to or alleged to be in response to any of the following activities:

1. The disclosure or threat of disclosure by an employee of the **Public Entity** to a superior or to any Governmental agency of any act by a **Covered Party** which act is alleged to be a violation of any Federal, State, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
2. The actual or attempted exercise by an employee of the **Public Entity** of any right that such employee has under law, including rights under workers' compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights,

3. The filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign whistle-blower law,
4. Strikes by employees of the **Public Entity**, or
5. Political affiliation.

**R. Retroactive Date** means the date specified in the Declarations.

**S. Trust** means the Preferred Governmental Insurance Trust.

**T. Wrongful Act** means:

1. With respect to Public Officials Liability, any actual or alleged act, error or omission, neglect or breach of duty committed by the **Public Entity**, or by any other **Covered Party** solely in the performance of duties for the **Public Entity**.
2. With respect to Employment Practices Liability, a **Wrongful Employment Practice** committed by the **Public Entity**, or by any other **Covered Party** solely in the performance of duties for the **Public Entity**.
3. **Wrongful Act** shall include discrimination or harassment of non-employees by the **Public Entity** or by any other **Covered Party**.

**U. Wrongful Employment Practice** means any actual or alleged:

1. Wrongful dismissal or discharge or termination of employment, whether actual or constructive;
2. Employment related misrepresentation;
3. Violation of any federal, state, or local laws (whether common or statutory) concerning employment or discrimination in employment;
4. Sexual harassment or other unlawful workplace harassment;
5. Wrongful deprivation of a career opportunity or failure to employ, promote or grant tenure;
6. Wrongful discipline of employees;
7. Negligent evaluation of employees;
8. Failure to adopt adequate workplace or employment policies and procedures; or
9. Employment related libel, slander, defamation or invasion of privacy.

The foregoing definitions shall apply equally to the singular and plural forms of the respective words.

**V. Leased Employee** means a person leased to the **Public Entity** by a labor leasing firm under an agreement between the **Public Entity** and the labor leasing firm, to perform duties related to the conduct of the **Public Entity's** business. **Leased Employee** does not include a **temporary employee**

**W. Temporary Employee** means a person who is furnished to the **Public Entity** to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

#### **SECTION IV - EXCLUSIONS**

The **Trust** shall not be liable for **Damages** or **Claims Expenses** on account of any **Claim**:

- A. Based upon, arising out or attributable to any actual or alleged dishonest, fraudulent, unlawful, criminal, malicious or willful and wanton act, error or omission, or any intentional or knowing violation of the law by a **Covered Party**.
- B. Seeking relief or redress in any form other than monetary damages, or **Claims Expenses** for a **Claim** seeking such non-monetary relief, except as provided in the Supplementary Payments above.
- C. Alleging, based upon, arising out or attributable to any:
  1. **Bodily Injury**;
  2. **Property Damage**;
  3. **Personal Injury**;
  4. **Advertising Injury**;

5. Any allegation that a **Covered Party** negligently employed, investigated, supervised or retained any person who is liable or responsible for such injury or damage, as it relates to items C 1, 2, 3, and 4 above; or
  6. Any willful violation of any statute, ordinance or regulation committed by you or with your knowledge or consent as it relates to items C 1, 2, 3, and 4 above.
- D. Alleging, based upon, arising out or attributable to inverse condemnation, eminent domain, temporary or permanent taking, adverse possession, dedication by adverse use, condemnation proceedings, or claims brought under Florida Statute 70.001, the "Bert J. Harris, Jr., Private Property Rights Protection Act," or any similar claim by whatever name called.
- E. Alleging, based upon, arising out or attributable to war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, or civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.
- F. Alleging, based upon, arising out or attributable to the failure to effect or maintain any insurance or bond, which shall include, but not be limited to, insurance provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.
- G. Alleging, based upon, arising out or attributable to the gaining in fact of any profit or financial advantage to which the **Covered Party** was not legally entitled.
- H. Alleging, based upon, arising out or attributable to the return or improper assessment of taxes, assessments, penalties, fines, fees.
- I. Alleging, based upon, arising out or attributable to:
1. the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of **Pollutants**; or
  2. any direction or request that any **Covered Party** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so.
- J. Alleging, based upon, arising out or attributable to the planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage or disposal site or any other nuclear facility; the transportation of nuclear material; or any nuclear reaction or radiation, or radioactive contamination, regardless of its cause.
- K. Alleging, based upon, arising out or attributable to an actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, any similar state or local laws, and any rules and regulations promulgated thereunder and amendments thereto.
- L. Brought or maintained by or on behalf of or in the right of any **Covered Party**, however, with respects any **Claim** alleging any **Wrongful Employment Practices**, this exclusion shall only apply to cross-claims or counter-claims brought or maintained by, on behalf of, or in the right of one **Covered Party** against another **Covered Party**.
- M. Alleging, based upon, arising out or attributable to breach of contract, warranty, guarantee or promise unless such liability would have attached to the **Covered Party** even in the absence of such contract, warranty, guarantee or promise. However, this exclusion shall not apply to any **Claim** alleging any **Wrongful Employment Practices**.
- N. Alleging, based upon, arising out or attributable to any actual or alleged liability assumed by the **Covered Party** under any contract or agreement, unless such liability would have attached to the **Covered Party** even in the absence of such contract.
- O. Alleging, based upon, arising out of or attributable to any actual or alleged violation of any antitrust, restraint of trade or other law, rule or regulation which protects competition. Including but not limited to liability arising out of estimates of probable costs or cost estimates being exceeded, faulty preparation of bid specifications or plans, or failure to award contracts in accordance with statutes or ordinances which under law must be submitted for bids.

- P. Alleging, based upon, arising out or attributable to the operation of or activities of any schools, hospitals, clinics, nursing homes, or other health care operations, unless specifically included by endorsement attached.
- Q. Alleging, based upon, arising out or attributable to the rendering or failure to render medical services, including without limitation:
1. Providing medical, surgical, dental, psychiatric or nursing treatment, care, diagnosis or services, including the furnishing of food or beverage in connection therewith;
  2. Furnishing or dispensing drugs or medical, dental or surgical supplies or appliances;
  3. Handling, arranging or performing post-mortem examinations on human bodies;
  4. Providing services as a member of or participant in a formal medical accreditation or similar medical professional board or committee of a hospital or a professional society;
  5. Providing services as a member of or participating in a formal medical peer review committee, board or similar medical peer review group of a hospital or a professional society; or
  6. Proffering any advice, counseling, training and oversight in connection with any of the above except as provided under Florida Statute 401.265.
  7. While a **Covered Party** is not properly licensed or their license is under suspension or has been revoked, surrendered, or otherwise terminated. This exclusion applies only to the **Covered Party** whose license is suspended, revoked, surrendered, or otherwise terminated;
  8. While a **Covered Party** is under the influence of intoxicants or drugs. This exclusion applies only to the **Covered Party** that was under the influence of intoxicants or drugs.
- R. Alleging, based upon, arising out of or attributable to (1) any prior or pending litigation filed on or before the effective date of the first agreement issued and continuously renewed by the **Trust**, or the same or substantially the same **Wrongful Act**, fact, circumstance or situation underlying or alleged therein, or (2) any other **Wrongful Act** which, together with a **Wrongful Act** in any prior or pending litigation, would constitute **Related Wrongful Acts**.
- S. Alleging, based upon, arising out or attributable to (1) any **Wrongful Act**, fact, circumstance or situation which has been the subject of any written notice given under any other agreement or policy, or (2) any other **Wrongful Act** which, together with a **Wrongful Act** which has been the subject of such notice, would constitute **Related Wrongful Acts**.
- T. Alleging, based upon, arising out or attributable to any **Wrongful Act** prior to the inception date of the first agreement issued by the **Trust** and continuously renewed and maintained, if on or before such date any **Covered Party** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim**.
- U. Solely with respect to any **Claim** under Coverage Agreements Clause B, Employment Practices Liability:
1. Alleging, based upon, arising out or attributable to any violation of the responsibilities, obligations or duties imposed by (i) any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; (ii) the Fair Labor Standards Act (except the Equal Pay Act), (iii) the National Labor Relations Act, (iv) the Worker Adjustment and Retraining Notification Act, (v) the Consolidated Omnibus Budget Reconciliation Act, (vi) the Occupational Safety and Health Act, any rules or regulations of any of such statutes or laws, amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law; provided however, this exclusion shall not apply to a **Claim for Retaliation**.
  2. Alleging, based upon, arising out or attributable to any costs or liability incurred by any Covered Party to provide any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act of 1992, as amended, or any similar federal, state or local law, regulation or ordinance, including the modification of any building, property or facility to make it more accessible or accommodating to any disabled person.
- V. Arising out of any act or omission resulting from law enforcement activities of any police department or any other law enforcement agencies, including their agents or employees.
- W. Based on or arising out of the infringement of copyright, trademark, plagiarism, piracy or misappropriation of any ideas or other intellectual property.

- X. Any **Wrongful Act** arising out of the ownership, entrustment, maintenance, operation, use, loading or unloading of automobiles; or the transport of any person.
- Y. Arising from activities of any attorney-at-law, medical personnel, architect, engineer or accountant, in the scope of their professional duties; however, notwithstanding the forgoing, coverage applies to any claims made against them as Public Officials or Employees of yours.
- Z. Based upon, arising out of or attributable to any **media wrongful act** allegedly committed by the **Covered Party** or by someone for whom the **Covered Party** is legally responsible, including liability **assumed under contract**.

For purposes of this exclusion, the phrase "**media wrongful act**" means any:

1. Libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
2. Copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan trademark, trade name, service mark or service name;
3. Common law unfair competition or unfair trade practices alleged in conjunction with the acts described above in 1. and 2.;
4. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
5. Infliction of emotional distress or mental anguish;
6. False arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
7. Plagiarism, privacy or misappropriation of ideas under implied contracts; and
8. Economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of matter which is false or erroneous,

resulting from a **Covered Party's** acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering matter through traditional and digital methods including but not limited to cable television, radio, movie and music studios, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs.

For purposes of this exclusion, the phrase "**assumed under contract**" means liability for damages for injury which the **Covered Party** is required to indemnify based upon a written contract, hold harmless agreement, indemnity agreement, or similar arrangement, which document: (i) was executed by the **Covered Party** prior to the occurrence of the injury for which indemnity is sought, and (ii) requires the **Covered Party** to indemnify for injury caused in whole or in part by the content of media material used in a media communication.

**AA.** based upon, arising out of or attributable to any:

1. Access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, proprietary information, financial information, banking information, investment information, charge card information, debit card information, credit card information, cardholder data as defined under PCI-DSS, health information, social security numbers, driver's license or state identification numbers, access codes, passwords, personal identification numbers, or any other type of nonpublic information;
2. Failure to timely disclose any unauthorized access to or disclosure of any person's or organization's confidential or personal information, including but not limited to the items listed in Paragraph 1. above; or
3. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph 1., 2., or 3. above.

As used in this exclusion, "**electronic data**" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

#### **V - ESTATES, LEGAL REPRESENTATIVES AND SPOUSES**

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of **Covered Party** shall be considered **Covered Parties** under this **Coverage Agreement**; but coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse or legally recognized domestic partner, where the **Claim** seeks damages from marital community property, jointly held property or property transferred from a natural person **Covered Party** to the spouse or legally recognized domestic partner. No coverage is provided for any **Wrongful Act** of an estate, heir, legal representative, assign, spouse or legally recognized domestic partner. All of the terms and conditions of this **Coverage Agreement** including, without limitation, the Deductible applicable to **Damages and Claims Expenses** incurred by **Covered Parties** shown in the Declarations, shall also apply to **Damages and Claims Expenses** incurred by such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners.

#### **SECTION VI - EXTENDED REPORTING PERIODS**

If the **Trust** terminates or does not renew this **Coverage Agreement** (other than for failure to pay a premium when due), or if the **Public Entity** terminates or does not renew this **Coverage Agreement** and does not obtain replacement coverage as of the effective date of such cancellation or non-renewal, the **Public Entity** shall have the right, upon payment of the additional premium described below, to a continuation of the coverage granted by this **Coverage Agreement** for at least one Extended Reporting Period as follows:

##### **A. Automatic Extended Reporting Period**

The **Public Entity** shall have continued coverage granted by this **Coverage Agreement** for a period of 60 days following the effective date of such termination or nonrenewal, but only for **Claims** first made during such 60 days and arising from **Wrongful Acts** taking place prior to the effective date of such termination or nonrenewal.

##### **B. Optional Extended Reporting Period**

The **Public Entity** shall have the right, upon payment of up to 200% of the expiring premium, set forth in the Declarations, to purchase an Optional Extended Reporting Period, for the period of 12 months following the effective date of such cancellation or nonrenewal, but only for **Claims** first made during such Optional Extended Reporting Period and arising from **Wrongful Acts** taking place prior to the effective date of such termination or nonrenewal.

This right to continue coverage shall lapse if written notice of such election is not given by the **Public Entity** to the **Trust**, and the **Trust** does not receive payment of the additional premium, within 60 days following the effective date of termination or nonrenewal.

The first 60 days of the **Optional Extended Reporting Period**, if it becomes effective, shall run concurrently with the **Automatic Extended Reporting Period**.

##### **C. The Trust shall give the Public Entity notice of the premium due for the Extended Reporting Period as soon as practicable following the date the Public Entity gives such notice of such election, and such premium shall be paid by the Public Entity to the Trust within 10 days following the date of such notice by the Trust of the premium due. The Extended Reporting Period is not cancelable and the entire premium for the Extended Reporting Period shall be deemed fully earned and nonrefundable upon payment.**

##### **D. The Extended Reporting Period, if exercised, shall be part of and not in addition to the Limit of Liability for the immediately preceding Coverage Agreement Period. The purchase of the Extended Reporting Period shall not increase or reinstate the Limit of Liability, which shall be the maximum liability of the Trust for the Agreement Period and Extended Reporting Period, combined.**

- E. A change in **Coverage Agreement** terms, conditions, exclusions and/or premiums shall not be considered a nonrenewal for purposes of triggering the rights to the Automatic or Optional **Extended Reporting Period**.

## **SECTION VII - LIMIT OF LIABILITY**

In the event of a suit or claim triggering coverage under this Coverage Part and the **GENERAL LIABILITY COVERAGE PART**, the terms and conditions in PGIT MN-090, D. COORDINATION OF COVERAGES also apply. Regardless of the number of Coverages purchased, **Covered Parties** against whom **claims** are brought, **claims** made or persons or entities making **claims**:

### **A. Limit of Liability for Coverage(s) Purchased**

1. To each **claim** Limit of Liability stated in the Declarations for a Coverage purchased is the **Trust's** maximum liability under that Coverage for the sum of all **damages** because of each **Claim**, including **claims** alleging **related wrongful acts**, first made and reported during the **agreement period**.
2. The Aggregate Limit of Liability stated in the Declarations for a Coverage purchased is the **Trust's** maximum liability under that Coverage for the sum of all **damages** because of all **Claims**, including all **Claims** alleging **related wrongful acts**, first made and reported during the **agreement period**.
3. **Claims Expenses** shall not be part of and are in addition to the Aggregate Limit of Liability stated in the Declarations, and shall not reduce such Aggregate Limit of Liability.

### **B. Maximum Coverage Agreement Aggregate Limit of Liability**

The Maximum **Coverage Agreement** Aggregate Limit of Liability stated in the Declarations is the **Trust's** maximum liability under all Coverages purchased for the sum of all **damages** because of all **claims** under this **Coverage Agreement**.

### **C. Deductible**

The Deductible stated in the Declarations is applicable to each **claim** under the Coverage Agreement Clauses indicated, including each **claim** alleging **Related Wrongful Acts**, and applies to **damages**. The Deductible shall be paid by the **Public Entity** and shall be borne at the risk of all **Covered Parties**, and shall remain not covered during the **Agreement Period**. The Limits of Liability set forth in the Declarations are in addition to and in excess of the Deductible. If different parts of a single **claim** are subject to different Deductibles, the applicable Deductible shall be applied separately to each part of the **Damages**, but the sum of such Deductibles shall not exceed the largest applicable Deductible. The Deductible does not apply to Supplementary Payments or Claims Expenses made under this agreement, unless otherwise stated.

### **D. Multiple Claims**

All **Related Claims** shall be deemed a single **Claim**, and such **Claim** shall be deemed first made on the date the earliest of such **Related Claims** was first made.

## **SECTION VIII - NOTICE**

- A. The **Covered Party** shall, as a condition precedent to the obligations of the **Trust** under this **Coverage Agreement**, give immediate written notice to the **Trust** of any **claim**, but in no event later than 30 days after the end of the **Agreement Period**, the Automatic Extended Reporting Period, or, if elected, the Optional Extended Reporting Period.
- B. The **Covered Party** shall immediately forward to the **Trust**, every demand, notice, summons, or other process or pleadings received by the **Covered Party** or its representatives.
- C. If, during the **Agreement Period**, any **Covered Party** becomes aware of any **wrongful act** which may reasonably be expected to give rise to a **claim** against the **Covered Party**, and during the **Agreement Period** gives written notice thereof to the **Trust** with all available particulars, including but not limited to:
  1. The specific **wrongful act**;
  2. The dates and persons involved;

3. The identity of anticipated or possible claimants;
  4. The circumstances by which the **Covered Party** first became aware of the possible claim, and a claim is subsequently made against the **Covered Party** arising from such **wrongful act** and properly reported to the **Trust**, the claim shall be deemed to have been first made at the time such written notice was received by the **Trust**.
- D. All notices under any provision of this **Coverage Agreement** shall be in writing and given by prepaid express courier, certified mail or facsimile transmission properly addressed to the appropriate party. Notice to the **Covered Parties** may be given to the **Public Entity** at the address shown in the Declarations. Notice given as described above shall be deemed to be received and effective upon actual receipt thereof by the addressee.

#### **SECTION IX - DEFENSE AND SETTLEMENT**

- A. The **Trust** shall have the right and duty to defend any covered claim brought against the **Covered Party** even if such claim is groundless, false or fraudulent. The **Covered Party** shall not admit or assume liability or settle or negotiate to settle any claim or incur any claims expenses without the prior written consent of the **Trust**, and the **Trust** shall have the right to appoint counsel and to make such investigation and defense of a covered claim as it deems necessary.
- B. The **Trust** shall not settle any claim without the written consent of the **Public Entity**. If the **Public Entity** refuses to consent to a settlement or compromise recommended by the **Trust** and acceptable to the claimant, then the **Trust's** Limit of Liability under this **Coverage Agreement** with respect to such claim shall be reduced to the amount of damages for which the claim could have been settled plus all claims expenses incurred up to the time the **Trust** made its recommendation to the **Public Entity**, which amount shall not exceed that portion of any applicable Aggregate Limit of Liability that remains unexhausted by payment of damages.
- C. The **Trust** shall not be obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle any claim after any applicable Limit of Liability specified in the Declarations has been exhausted by payment of damages or after the **Trust** has deposited the remainder of any unexhausted applicable Limit of Liability into a court of competent jurisdiction. In either such case, the **Trust** shall have the right to withdraw from the further investigation, defense, payment or settlement of such claim by tendering control of such claim to the **Covered Party**.
- D. The **Covered Parties** shall cooperate with the **Trust**, and provide to the **Trust** all information and assistance which the **Trust** reasonably requests including but not limited to attending hearings, depositions and trials and assistance in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and conducting the defense of any claim covered by this **Coverage Agreement**. The **Covered Parties** shall do nothing that may prejudice the **Trust's** position.

#### **SECTION X - REPRESENTATIONS AND SEVERABILITY**

- A. The **Covered Parties** represent and acknowledge that all the information and statements provided to the **Trust** by any **Covered Party**, including information and documentation in, attached to or incorporated in the **Application**, are true, accurate and complete, constitute material representations made by all **Covered Parties**, are the basis of this **Coverage Agreement**, are incorporated into and constituting a part of this **Coverage Agreement**, and are material to the acceptance of this risk or the hazard assumed by the **Trust** under this **Coverage Agreement**.
- B. It is understood and agreed that:
1. This **Coverage Agreement** is issued in reliance upon the truth and accuracy of such representations;
  2. The **Public Entity** has and will provide accurate information with regard to loss control audits and network security assessments; and
  3. If such representations or such information are not true, accurate and complete, this **Coverage Agreement** shall be null and void in its entirety and the **Trust** shall have no liability hereunder.

#### **SECTION XI - TERRITORY AND VALUATION**

- A. All premiums, limits, deductibles, damages, claims expenses and other amounts under this **Coverage Agreement** are expressed and payable in the currency of the United States of America. If

judgment is rendered, settlement is denominated or another element of **damages and claims expenses** under this **Coverage Agreement** is stated in a currency other than United States of America dollars, payment under this **Coverage Agreement** shall be made in United States dollars at the applicable rate of exchange as published in The Wall Street Journal as of the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of **damages or claims expenses** is due, respectively or if not published on such date, the next date of publication of The Wall Street Journal.

- B. Coverage under this **Coverage Agreement** shall extend to **wrongful acts** taking place or **claims** made or **damages or claims expenses** sustained anywhere in the world, provided the **claim** is made within the jurisdiction of and subject to the laws of the United States of America, Canada or their respective territories or possessions.

#### **SECTION XII - SUBROGATION**

In the event of any payment under this **Coverage Agreement**, the **Trust** shall be subrogated to the extent of such payment to all the rights of recovery of the **Covered Parties**. The **Covered Parties** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Trust** effectively to bring suit or otherwise pursue subrogation rights in the name of the **Covered Parties**.

#### **SECTION XIII - ACTION AGAINST THE TRUST AND BANKRUPTCY**

- A. Except as provided in Section XVI, Alternative Dispute Resolution, no action shall be brought against the **Trust**, unless, as a condition precedent thereto, the **Covered Parties** shall have fully complied with all the terms of this **Coverage Agreement**, and the amount of the **Covered Parties'** obligation to pay shall have been fully determined either by judgment against the **Covered Parties** after actual trial and appeal or by written agreement of the **Covered Parties**, the claimant and the **Trust**.
- B. Bankruptcy or insolvency of the **Covered Parties** or of the **Covered Parties'** estates shall neither relieve nor increase any of the obligations of the **Trust** hereunder.

#### **SECTION XIV - AUTHORIZATION CLAUSE**

By the acceptance of this **Coverage Agreement**, the **Public Entity** agrees to act on behalf of all **Covered Parties** with respect to the giving of notice of **Claim**, the giving or receiving of notice of termination or non renewal, the payment of premiums, the receiving of any premiums that may become due under this **Coverage Agreement**, the agreement to and acceptance of endorsements, consenting to any settlement, exercising the right to the **Extended Reporting Period**, and the giving or receiving of any other notice provided for in this Agreement, and all **Covered Parties** agree that the **Public Entity** shall act on their behalf.

#### **SECTION XV - ALTERATION, ASSIGNMENT AND HEADINGS**

- A. Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this **Coverage Agreement** nor prevent the **Trust** from asserting any right under the terms of this **Coverage Agreement**.
- B. No change in, modification of, or assignment of interest under this **Coverage Agreement** shall be effective except when made by a written endorsement to this **Coverage Agreement**, which is signed by an authorized representative of the **Trust**.
- C. The titles and headings to the various parts, sections, subsections and endorsements of the **Coverage Agreement** are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such parts, sections, subsections or endorsements.

#### **SECTION XVI - ALTERNATIVE DISPUTE RESOLUTION**

The **Covered Parties** and the **Trust** shall submit any dispute or controversy arising out of or relating to this **Coverage Agreement** or the breach, termination or invalidity thereof to the alternative dispute resolution ("ADR") process set forth in this Section.

Either a **Covered Party** or the **Trust** may elect the type of ADR process discussed below; provided, however, that the **Covered Party** shall have the right to reject the choice by the **Trust** of the type of ADR process at any time prior to its commencement, in which case the choice by the **Covered Party** of ADR process shall control.

There shall be two choices of ADR process: (1) non-binding mediation administered by any mediation facility to which the **Trust** and the **Covered Party** mutually agree, in which the **Covered Party** and the **Trust** shall try in good faith to settle the dispute by mediation in accordance with the then-prevailing commercial mediation rules of the mediation facility; or (2) arbitration submitted to any arbitration facility to which the **Covered Party** and the **Trust** mutually agree, in which the arbitration panel shall consist of three disinterested individuals. In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the award of the arbitrators shall not include attorneys' fees or other costs. In the event of mediation, either party shall have the right to commence arbitration in accordance with this Section; provided, however, that no such arbitration shall be commenced until at least 60 days after the date the mediation shall be deemed concluded or terminated. In all events, each party shall share equally the expenses of the ADR process. Either ADR process must be commenced in the state indicated in the Declarations as the principal address of the **Public Entity**. The **Public Entity** shall act on behalf of each and every **Covered Party** in connection with any ADR process under this Section



## MEDIA CONTENT SERVICES, NETWORK SECURITY, AND PRIVACY LIABILITY ENDORSEMENT

THIS IS A CLAIMS MADE AND REPORTED COVERAGE ENDORSEMENT. THIS COVERAGE APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE COVERED PARTY AND REPORTED IN WRITING TO THE TRUST DURING THE AGREEMENT PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW CAREFULLY.

**Item 1. LIMITS OF LIABILITY** (Inclusive of claim expenses):

- |      |             |  |
|------|-------------|--|
| (a)  | \$2,000,000 | Each claim   |
| (b)  | \$2,000,000 | Policy Aggregate for the <b>Policy Period</b> - but sublimited to:   |
| (i)  | \$2,000,000 | Aggregate for the <b>Policy Period</b> , for all <b>Privacy Notification Costs</b> for <b>Privacy Liability</b>          |
| (ii) | \$2,000,000 | Aggregate for the <b>Policy Period</b> , for all <b>regulatory fines and claim expenses</b> for <b>Privacy Liability</b> |

**Item 2. DEDUCTIBLE** (Inclusive of claim expenses):

- |     |              |   |
|-----|--------------|---|
| (a) | \$50,000 SIR | Each claim  |
| (b) | \$50,000 SIR | Each claim for all <b>Privacy Notification Costs</b> for <b>Privacy Liability</b>           |
| (c) | \$50,000 SIR | Each claim for all <b>regulatory fines and claims expenses</b> for <b>Privacy Liability</b> |

**Item 3. RETROACTIVE DATE** (if applicable): 10/01/2011

Words and phrases that appear in **bold** print have special meanings that are defined in PGIT MN-500, PGIT MN-510 or additional definitions exclusive to this endorsement are defined in **SECTION V. DEFINITIONS** of the endorsement.

**I. THIRD PARTY INSURING AGREEMENTS**

Provided always that the subject act or omission was committed on or subsequent to the **retroactive date** specified in **Item 3.** in the endorsement and that prior to the inception date of this policy no **Covered Party** had a basis to believe that any such act or omission, or related act or omission, might reasonably be expected to be the basis of a **claim**, then the **Trust** agrees as follows:

**A. Media Content Services Liability Coverage**

The **Trust** will pay on behalf of the **Covered Party** all sums in excess of the deductible that the **Covered Party** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Covered Party** and reported in writing to the **Trust** during the **agreement period**, alleging a **media wrongful act** committed by the **Covered Party** or by someone for whom the **Covered Party** is legally responsible, including liability assumed under contract.

## **B. Network Security Liability Coverage**

The **Trust** will pay on behalf of the **Covered Party** all sums in excess of the deductible that the **Covered Party** becomes legally obligated to pay as **damages and claim expenses** as a result of a **claim** first made against the **Covered Party** and reported in writing to the **Trust** during the **agreement period**, by reason of an act, error or omission by the **Covered Party** in providing or managing the security of a **computer system** for others for a fee that either (i) causes a **network breach**, or (ii) prevents a third party who is authorized to do so from gaining access to a **computer system**.

## **C. Privacy Liability Coverage**

If, at the time of the respective act, error or omission described below, the **Covered Party** had in force a **privacy policy** pertaining to the subject matter of the corresponding subsection, then:

1. the **Trust** will pay on behalf of the **Covered Party** all sums in excess of the deductible that the **Covered Party** becomes legally obligated to pay as **damages and claim expenses** as a result of a **claim** first made against the **Covered Party** and reported in writing to the **Trust** during the **agreement period** by reason of a **privacy wrongful act** committed by the **Covered Party** in the **Covered Party's** capacity as such.
2. the **Trust** will pay **privacy notification costs**, in excess of the deductible that the **Covered Party** incurs with the **Trust's** prior written consent resulting from the **Covered Party's** legal obligation to comply with a **breach notification law** due to the **Covered Party's** failure to prevent **unauthorized access**, to the extent such **unauthorized access** (1) results in a **data breach** from a **computer system**, and (2) occurred and was reported in writing to the **Trust** during the **agreement period**, but only to the sublimit, if purchased, stated in **Item 1.(b)(i)** in the endorsement.
3. the **Trust** will pay on behalf of the **Covered Party** all sums in excess of the deductible that the **Covered Party** becomes legally obligated to pay as **regulatory fines and claim expenses** as a result of a **regulatory proceeding** first made against the **Covered Party** and reported to the **Trust** during the **agreement period** resulting from a violation of a **privacy law** by reason of a **privacy wrongful act** by the **Covered Party** committed in the **Covered Party's** capacity as such, but only to the sublimit, if any, stated in **Item 1. (b)(ii)** in the Declarations.

## **D. PCI DSS Coverage**

1. The **Trust** will reimburse to **Covered Party** for **PCI DSS fine and costs** in excess of the deductible that the **Covered Party** is legally obligated to pay as a result of a **claim** first made against the **Covered Party** during the **policy period** or extended reporting period (if applicable) alleging a **PCI DSS wrongful act** by the **Covered Party** or an outsourced provider. Provided, however, coverage under this **Coverage Agreement** is sublimited to an amount of \$250,000.

## **II. FIRST PARTY INSURING AGREEMENTS**

### **A. Cyber Extortion Threat**

The **Trust** will indemnify the **Covered Party** all sums incurred in excess of the deductible and with the **Trust's** prior written consent for **cyber extortion damages** as a result of an **extortion threat** first made against an **Covered Party** in its capacity as such and reported to the **Trust** during the **agreement period** by a person other than an **Covered Party** or any person acting or proceeding with the knowledge and consent of, at the direction or request of, or with the assistance of an **Covered Party**.

**B. Data Breach Response and Crisis Management Coverage**

The Trust will pay **data breach response and crisis management costs** incurred in excess of the deductible that the **Covered Party** incurs for a continuous twelve (12) month period resulting from a **data breach** that is first discovered by the **covered party** and as soon as notice of the **data breach** is reported to the Trust.

**C. Business Interruption and Extra Expense**

The Trust will indemnify the **Covered Party** all sums in excess of the deductible for the reduction in business income and extra expense the **Covered Party** sustains during the **period of restoration** of an actual interruption of the use of the **computer system** of the **Covered Party** provided the **claim** results from a **network breach** to the **Covered Party's computer system**.

**D. Social Engineering Financial Fraud**

The Trust will indemnify the **Covered Party** all sums in excess of the deductible and up to a sublimit of \$250,000 for **social engineering financial fraud loss** directly resulting from a **social engineering financial fraud event**. This coverage shall only apply if you verify the instruction to transfer **money** or **securities** by following a pre-arranged callback or other established procedural method to authenticate the validity of the request prior to acting upon any transfer instructions.

**III. DEFENSE AND SETTLEMENT**

**A. Defense**

The Trust has the right and duty to defend any **claim** against the **Covered Party** seeking **damages** payable under the terms of this policy, even if any of the allegations of the **claim** are groundless, false or fraudulent. Defense counsel may be designated by the Trust or, at the Trust's option, by the **Covered Party** with the Trust's written consent and subject to the Trust's guidelines.

**B. Settlement**

The Trust will have the right and duty to make, with the written consent of the **Covered Party**, any settlement of a **claim** under this policy. If the **Covered Party** refuses to consent to a settlement within the policy's applicable limit of liability that is recommended by the Trust and acceptable to the claimant, then the Trust's limit of liability under this policy will be reduced to the amount of **damages** for which the **claim** could have been settled plus all **claim expenses** incurred up to the time the Trust made its recommendation and fifty percent (50%) of **claims expenses** in excess of the recommended settlement, the total of which will not exceed the limit of liability specified in the Declarations.

**IV. LIMITS OF LIABILITY AND DEDUCTIBLE**

**A. Limit of Liability - Each Claim**

Subject to Paragraph C. below, the Trust's limit of liability for **damages** and **claim expenses** for each **claim** first made and reported in writing to the Trust during the **agreement period** will not exceed the amount shown in **Item 1.(a)** in the Declarations for "Each Claim."

**B. Limit of Liability - Policy Aggregate**

The Trust's limit of liability for **damages** and **claim expenses** for all **claims** first made and reported in writing to the Trust during the **agreement period** and for all **privacy notification costs** payable under Insuring Agreement I.C.2 will not exceed the aggregate amount shown in **Item 1.(b)** in the Declarations as the "Policy Aggregate," subject to the following sublimits which are part of and not in addition to the "Policy Aggregate" limit of liability:

1. The sublimit of liability stated in **Item 1(b)(i)** in the Declarations is the aggregate limit for the **agreement period**, for all **privacy notification costs** for **privacy** liability under Insuring Agreement I.C.2.; and
2. The sublimit of liability stated in **Item 1(b)(ii)** in the Declarations is the aggregate limit for the **agreement period**, for all **regulatory fines and claim expenses** for **privacy** liability under Insuring Agreement I.C.3.

**C. Exhaustion of Limits**

The **Trust** is not obligated to pay any **damages, claim expenses, or privacy notification costs** or to defend or continue to defend any **claim** after the applicable limit of liability has been exhausted by the payment of **damages, claim expenses, or privacy notification costs** or any combination thereof; or after the **Trust** has deposited the remaining available limit of liability into a court of competent jurisdiction or tendered the remaining available limit of liability to the **Covered Party** or, if applicable, to the excess insurer(s) of the **Covered Party**.

**D. Deductible**

1. The deductible amount shown in **Item 2.(a)** of the Declarations is the **Covered Party's** obligation for each **claim** and applies to the payment of **damages and claim expenses**. The deductible will be paid by the **Covered Party**. The limits of liability set forth in the Declarations are in addition to and in excess of the deductible.
2. The deductible amount stated in **Item 2.(b)** of the Declarations applies separately to each event or series of related events giving rise to an obligation to incur **privacy notification costs** for **privacy** liability. The deductible will be paid by the **Covered Party**. The sublimit set forth in **Item 1.(b)(i)** in the Declarations are part of and not in addition to the "Policy Aggregate" limit of liability and in excess of the deductible stated in **Item 2.(b)**.
3. The deductible amount stated in **Item 2.(c)** in the Declarations applies separately to each event or series of related events giving rise to an obligation to incur **regulatory fines and claim expenses** for **privacy** liability. The deductible will be paid by the **Covered Party**. The sublimit set forth in **Item 1.(b)(ii)** in the Declarations are part of and not in addition to the "Policy Aggregate" limit of liability and in excess of the deductible stated in **Item 2.(c)**.

**E. Multiple Covered Parties, Claims and Claimants**

1. The limits of liability shown in the Declarations are the maximum amount the **Trust** will pay under this policy for **damages, claim expenses and privacy notification costs**, regardless of the number of **Covered Parties, claims** made, claimants, or events giving rise to **privacy notification costs**.
2. All **claims** arising from the same or a series of related, repeated or similar acts, errors or omissions or from any continuing acts, errors or omissions will be considered a single **claim** for purposes of this policy, irrespective of the number of claimants or **Covered Parties** involved in the **claim**. All such **claims** shall be deemed to have been made at the time of the first such **claim**.
3. All **events** giving rise to **privacy notification costs** arising out of a single act, error or omission or related, repeated or similar acts, errors or omissions will be considered a **single event** for purposes of this policy, irrespective of the number of claimants or **Covered Parties** involved in the event. All such events shall be deemed to have occurred and the **resulting claim** made at the time the **Covered Party** first became aware of the earliest of all such events.

**V. DEFINITIONS (Items listed below apply to this endorsement only; if definitions that are shown below are also defined elsewhere in the coverage agreement the definition below is the prevailing definition with respect to this endorsement.)**

- A. Advertising** means publicly disseminated material which promotes the service, business, or product of the **Covered Party** or a client of the **Covered Party**, but only where such material was disseminated at the prior written request of the **Covered Party**.
- B. Assumed under contract** means liability for **damages** for **personal injury** which the **Covered Party** is required to indemnify based upon a written contract, hold harmless agreement, indemnity agreement, or similar arrangement, which document: (i) was executed by the **Covered Party** prior to the occurrence of the **personal injury** for which indemnity is sought, and (ii) requires the **Covered Party** to indemnify for **personal injury** caused in whole or in part by the content of **media material** used in a **media communication**.
- C. Authorized Employee** means an employee of yours who is authorized by you to transfer, or to instruct others to transfer, **money** or **securities**.
- D. Breach notification law** means any local, state, federal or foreign statute or regulation requiring the **Covered Party** to protect the confidentiality and/or security of **personally identifiable information**.
- E. Claim** means:
  - 1. a written demand received by a **Covered Party** for monetary damages, including the service of suit or initiation of arbitration proceedings;
  - 2. the initiation of a suit or arbitration proceeding against an **Covered Party** seeking injunctive relief; and
  - 3. with respect to coverage provided under Insuring Clause I.C.3 only, the institution of a **regulatory proceeding** against the **Covered Party**.
- F. Claim Expense** means:
  - 1. Reasonable and necessary fees for the defense of a **claim** defended by an attorney selected by the **Trust** in accordance with Section III Defense and Settlement as well as other reasonable and necessary fees costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **claim**; and
  - 2. Premiums on appeal bonds, attachment bonds or similar bonds. Provided, however the **Trust** is not obligated to apply for or furnish any such bond.
- G. Computer system** means computer hardware, software, networks, networking equipment, applications, associated electronic devices, electronic data storage devices, input and output devices, and back up facilities operated by, owned by, leased to the **Covered Party**.
- H. Covered Party** per the definition from PGIT MN-500 and the following with respects to this endorsement only:
  - 1. independent contractors but only for **media communication** services performed at the direction and for the benefit of the **Covered Party**;
- I. Damages** means any compensatory sum and includes a judgment, award or settlement, provided any settlement is negotiated with the **Trust's** written consent, and prejudgment interest awarded against the **Covered Party** on that part of the judgment the **Trust** offers to pay. If the **Trust** makes an offer to pay the applicable limits of liability, it will not pay any prejudgment interest based on that period of time after the offer.

**Damages** does not include:

1. the return, reduction, loss or restitution of fees, profits, charges, commissions or royalties for goods or services already provided or contracted to be provided, disgorgement of unjust enrichment or profits expenses or costs for **media communication** performed or to be performed by the **Covered Party**;
2. fines, penalties, forfeitures, liquidated damages, sanctions, taxes;
3. punitive or exemplary amounts;
4. the multiplied portion of any multiplied awards;
5. the cost to comply with any injunctive, non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;
6. costs incurred to correct, re-perform or complete any **media communication**;
7. **regulatory fines**; provided, however, notwithstanding the foregoing, solely with respect to Insuring Agreement I.C.3, damages includes **regulatory fines**.

However, with respect to any **claim**, it is understood and agreed that the insuring of punitive or exemplary damages is deemed permitted under the laws and public policy of the applicable jurisdiction.

The term "applicable jurisdiction" shall mean for the purposes of this policy that jurisdiction most favorable to the insurability of punitive or exemplary damages provided that the jurisdiction must be:

- a. where the punitive or exemplary damages were awarded or imposed;
  - b. where any act which forms the basis of the **claim** took place; or
  - c. where any **Covered Party** is incorporated, resides, or has its principal place of business.
- J. **Data Breach** means the unauthorized taking, acquisition, obtaining, use or disclosure of information on a **computer system**, including but not limited to **personally identifiable information**, charge, debit, and credit card information, banking, financial, and investment services account information, proprietary information, and personal, private, and confidential information.
- K. **Data Breach Reporting Requirement** means any provision in a law, statute or regulation, domestic or foreign, that required the **covered party** to provide notification to affected persons of a breach of such person's **personally identifiable information** or protected health information.
- L. **Data Breach Response and Crisis Management Costs** means costs charged by Breach Response Providers to:
1. Costs charged by Breach Response Providers to:
    - a. Determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
    - b. Perform computer forensics to determine the existence, cause and scope of a **data breach** or cyber security breach;
    - c. Notify individuals of a **data breach** who are required to be notified pursuant to any **data breach reporting requirement**;
    - d. Voluntarily notify individuals of a **data breach** who may not be required to be notified;
    - e. Operate a call center to manage **data breach** inquiries
    - f. Provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **personally identifiable information** was or may have been breached;

- g. Provide medical identity restoration for those individuals whose protected health information was or may have been breached;
  - h. Minimize harm to the **covered party's** reputation by hiring a public relations or crisis communications firm, and
- 2. Costs charged by PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data..
- M. **Extortion Damages** means money paid by a **Covered Party** in its capacity as such and with the **Trust's** prior written consent to a person reasonably believed to be making an **extortion threat** for the purpose of ending an **extortion threat** against the **Covered Party**. **Extortion damages** shall include reasonable and necessary expense incurred by a **Covered Party** with the **Trust's** prior written consent that directly relate to the **Covered Party's** efforts to investigate and/or end an **extortion threat**.
- N. **Extra Expense** means reasonable and necessary expenses in excess of the **covered party's** normal operating expenses that the **covered party** incurs to reduce or avoid loss of **business income**.
- O. **Extortion Threat** means any credible act, error or omission which actually, potentially, or threatens to:
  - 1. hinder, restrict access to or corrupt an **Covered Party's computer system**;
  - 2. introduce **malicious code** into an **Covered Party's computer system**; or
  - 3. disclose, disseminate, destroy, corrupt or use the confidential information of a third party taken from an **Covered Party's computer system** as a result of **unauthorized access** to such **computer system**;
- P. **Interrelated Act** means any fact, circumstance, situation, transaction, act, error, omission, or event which is based on, arising out of, or having as a common nexus any of the same or related or series of related facts, circumstances, situations, transactions, acts, errors, omissions or events.
- Q. **Malicious code** means any unauthorized, corrupting, or harmful virus, Trojan Horse, worm, logic bomb or other similar software program, code or script designed to insert itself onto a computer disk or into computer memory and migrate from one computer to another.
- R. **Media communication** means the publishing, transmission, display, broadcast, web cast, dissemination, distribution or release of **media material** to the public by or on behalf of the **Covered Party**.
- S. **Media material** means information in the form of words, sounds, numbers, images, or graphics in electronic, print, digital or broadcast form, including **advertising**.
- T. **Media Wrongful Act** means any:
  - 1. Libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
  - 2. Copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan trademark, trade name, service mark or service name;
  - 3. Common law unfair competition or unfair trade practices alleged in conjunction with the acts described above in sections T.1 and T.2;
  - 4. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
  - 5. Infliction of emotional distress or mental anguish;
  - 6. False arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
  - 7. Plagiarism, piracy or misappropriation of ideas under implied contracts; and

8. Economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of matter which is false or erroneous,

resulting from a **Covered Party's** acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering matter through traditional and digital methods including but not limited to cable television, radio, movie and music studios, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs.

**U. Money** means the Insured's:

1. Currency, coins and bank notes in current use and having a face value; and
2. Traveler's Checks and money orders held for sale to the public.

**V. Network breach** means:

1. the alleged or actual **unauthorized access** to a **computer system** that results in:
  - a. the destruction, deletion or corruption of electronic data on a **computer system**;
  - b. a **data breach** from a **computer system**; or
  - c. denial of service attacks against Internet sites or computers.
2. transmission of **malicious code** from a **computer system** to third party computers and systems.

**W. A series of continuing network breaches** or related, repeated, or similar **network breaches** shall be considered a single **network breach** and be deemed to have occurred at the time of the first such **network breach**. **Newly acquired subsidiary** means any entity newly formed or acquired by the **Covered Party**

during the **agreement period** in which the **Covered Party** has more than fifty percent (50%) of the legal or beneficial interest, but only upon the conditions that:

1. Within sixty (60) days of such formation or acquisition, the **Covered Party** has provided the **Trust** with full particulars of such **newly acquired subsidiary** and the **Trust** has agreed in writing to insure such **newly acquired subsidiary**, but the **Trust** shall not be required to insure such **newly acquired subsidiary**;
2. The **Covered Party** has paid the additional premium, if any, charged by the **Trust** and has agreed to any amendment of the provisions of this policy; and
3. The **Trust** will only provide coverage with respect to a Claim when the act or omission is committed on or after the date such **newly acquired subsidiary** became a **newly acquired subsidiary** and prior to the date such **newly acquired subsidiary** ceased to be a **newly acquired subsidiary**. An entity ceases to be a **newly acquired subsidiary** under this policy on the date during the **agreement period** that the **Covered Party's** legal or beneficial interest in such entity becomes less than fifty percent (50%).

**X. Period of Restoration** means the time period that begins on the specific date the actual interruption of the use of the **Covered Party's computer system** starts and ends on the specific date that the actual interruption of the use of the **computer system** ends. In no event, however, shall the period of restoration mean a time period to exceed sixty (60) days.

**Y. Personally identifiable information** means an individual's name in combination with one or more of the following:

1. information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;

2. medical or health care information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulation issued pursuant to the Act;
3. the individual's social security number, drivers license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers (PINs) that allows access to the individual's financial account information; or
4. other non-public personally identifiable information, as protected under any local, state, federal or foreign statute or regulation.

Provided, however, **personally identifiable information** does not mean information that is lawfully available to the public, including information from any local, state, federal or foreign governmental entity or body.

**Z. Personal injury** means injury other than **bodily injury** to a third-party arising out of one or more of the following offenses by reason of an **Covered Party's** act, error or omission in the performance of or negligence regarding the content of any **media communication**:

1. false arrest, detention or imprisonment;
2. libel, slander, or other defamatory or disparaging statement or materials;
3. oral or written publication of material that violates an individual's right of privacy;
4. wrongful entry or eviction, or other invasion of the right of private occupancy;
5. plagiarism, piracy or misappropriation of ideas or style of doing business; and
6. infringement or misappropriation of copyright, title, slogan, trademark, trade name, trade dress, logo, service mark or service name.

**AA. Privacy notification costs** mean reasonable and necessary:

1. costs to hire a security expert to determine the existence and cause of any theft or **unauthorized access** to or disclosure of **personally identifiable information**;
2. costs to notify consumers under a **breach notification law**;
3. fees incurred to determine the actions necessary to comply with a **breach notification law**; and
4. credit monitoring services of the affected consumers if required by **breach notification law**.

**Privacy notification costs** will be paid first and will reduce the limit of liability available to pay **damages**. **Privacy notification costs** do not mean fees, costs or expenses of employees or officers of the Trust, or salaries, loss of earnings, overhead, or any other remuneration by, to or of any **Covered Party**.

**BB. Privacy policy** means written documents that set forth the **Covered Party's** policies, standards, practices and procedures for the acquisition, obtaining, collection, use, disclosure, sharing, transmission, dissemination, correction, access to or supplementation of **personally identifiable information**.

**CC. Privacy wrongful act means:**

1. the theft or unintentional disclosure or mishandling of **personally identifiable information** that is in the care, custody, or control of the **Covered Party**; or
2. the **Covered Party's** unintentional failure to timely disclose a **network breach** in violation of any **breach notification law**.
3. Solely with respect to Insuring Agreement I.C.2, **privacy wrongful act** also means the **Covered Party's** unintentional failure to comply with that part of a **privacy policy** that expressly:
  - a. requires notification to a person of the **Covered Party's** obtaining, acquisition, compilation or use of their **personally identifiable information**;
  - b. requires the **Covered Party** to disclose **personally identifiable information** or correct incomplete or inaccurate **personally identifiable information** after a proper request has been made by an authorized person;
  - c. requires the **Covered Party** to prevent the loss of **personally identifiable information**;
  - d. prohibits, prevents, restricts, or limits the improper or intrusive obtaining, acquisition, compilation or use of **personally identifiable information**; and
  - e. allows a person to opt-in or opt-out of the **Covered Party's** obtaining, acquisition, compilation or use of their **personally identifiable information**.

**DD. Regulatory fines** means any civil fine or civil monetary penalty imposed in a **regulatory proceeding** payable by the **Covered Party** to the government entity bringing such **regulatory proceeding** in such entity's regulatory or official capacity.

**EE. Regulatory proceeding** means a request for information, civil investigative demand, suit, civil investigation, or civil proceeding commenced by the service of a complaint or similar pleading by or on behalf of any local, state, federal or foreign governmental entity in such entity's regulatory or official capacity which may reasonably be expected to give rise to a **claim** covered by this policy.

**FF. Subsidiary** means any entity of which the **Covered Party** owns, either legally or beneficially, more than a fifty percent (50%) interest in such entity. On the date during the **agreement period** that the **Covered Party's** legal or beneficial ownership interest in such entity becomes less than fifty percent (50%), such entity will cease to be a subsidiary under this policy. In such event, coverage will be provided under this policy, but only with respect to acts or omissions committed prior to such date in accordance with all other terms and conditions of this policy. No coverage will be afforded under this policy with respect to **claims** made against an **Covered Party** based on any act or omission that was committed on or subsequent to such date.

**GG. Securities** means **your** negotiable and nonnegotiable instruments or contracts representing either **money** or property, and includes tokens, tickets, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured**.

**HH. Social Engineering Financial Fraud** means the transfer of **money** or **securities** to an account outside **your** control pursuant to instructions made by a person purporting to be an **authorized employee**, outsourced provider or customer of **yours**, when such instructions prove to have been fraudulent and issued by a person who is not an **authorized employee**, **outsourced provider**, or customer of **yours**.

- II. **Social Engineering Financial Fraud Loss** means loss of money or securities in a social engineering financial fraud.
- JJ. **Unauthorized access** means the gaining of access to computer systems by an unauthorized person or persons.
- KK. **PCI DSS Fines and Costs** means fines, penalties, assessments, fraud recovery and operational expense recovery that the Insured is contractually obligated to pay under its Merchant Services Agreement(s) as the result of a **PCI DSS wrongful act** by the insured or an outsourced provider. Provided however, PCI DSS fines and costs does not mean interchange fees, discount fees or prospective service fees.
- LL. **PCI DSS Wrongful act** means any actual or alleged cyber security breach or privacy wrongful act resulting in the unauthorized acquisition of cardholder data as defined under PCI-DSS.
- MM. **Merchant Services Agreement** means an agreement between the **Covered Party** and a financial institution, credit/debit card company, credit/ debit card processor or Independent service operator enabling the **covered party** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

## VI. EXCLUSIONS

This endorsement does not apply to any claim or with respect to any privacy notification costs or regulatory proceeding:

### A. Deliberate Acts

Based upon or arising out of any dishonest, intentionally or knowingly wrongful, fraudulent, criminal or malicious act or omission by a **Covered Party**. The **Trust** will provide the **Covered Party** with a defense of such claim and pay claim expenses for any such suit which is brought alleging such dishonest, intentionally wrongful, fraudulent, criminal or malicious act or omission as a single allegation in a multiple allegation suit, provided any one allegation is covered under this policy. Criminal proceedings are not covered under this policy regardless of the allegations made against the **Covered Party**.

### B. Personal Profit

Based upon or arising out of the gaining of any personal profit or advantage to which the **Covered Party** is not legally entitled.

### C. Prior Acts

Based upon or arising out of:

1. any fact, circumstance, situation, transaction, act, error, omission, or event which, before the inception date of this policy, was the subject of any notice given under any other insurance policy; or
2. any fact, circumstance, situation, transaction, act, error, omission, or event, whenever occurring, which, together with any fact, circumstance, situation, transaction, act, error, omission, or event which has been the subject of such notice, would constitute an interrelated act.

### D. Bodily Injury/Property Damage

Based upon or arising out of bodily injury or property damage.

**E. Employment Practices**

Based upon or arising out of discrimination, humiliation, harassment, or misconduct based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual preference or other classification. The **Trust** will provide the **Covered Party** with a defense of such **claim** and pay **claim expenses** for any suit which is brought alleging such discrimination as a single allegation in a multiple allegation suit, provided any one allegation is covered under this policy.

**F. Ownership**

Based upon or arising out of **media content services** performed for or by, or created for or sold to, any business enterprise not named in the Declarations if on or after the date or time of the act or omission giving rise to such **claim**:

1. any **Covered Party** controlled, owned, operated or managed such entity; or
2. any **Covered Party** was an owner, partner, member, director, officer or employee of such entity.

Control of or ownership in a business enterprise is presumed if any **Covered Party** owned or held ten percent (10%) or more of the equity and/or debt instruments of such enterprise.

**G. Covered Party v. Covered Party**

By or on behalf of any **Covered Party** under this policy against any other **Covered Party** hereunder; however, this exclusion shall not apply to a claim made by an employee of either the **Covered Party** or a **subsidiary** or **newly acquired subsidiary** otherwise covered under Insuring Agreement I.E 1.

**H. ERISA/Securities**

Based upon or arising out of actual or alleged violation of:

1. the Employee Retirement Income Security Act of 1974;
2. the Securities Act of 1933;
3. the Securities Exchange Act of 1934;

or any rules, regulations or amendments issued in relation to such acts, or any similar state or federal statutes or regulations, including any **claim** based upon common law principles of liability.

**I. Pollution**

Based upon or arising out of whether suddenly or over a long period of time, any:

1. actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants** whether suddenly or over a period of time; or any injury, damage, payments, costs or expense incurred as a result of any testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of **pollutants**; or
2. injury, damage, payments, costs or expense incurred as a result of any testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any **pollutants**.

**J. Contract Liability**

Based upon or arising out of any liability of others assumed by the **Covered Party** under any express, implied, actual, constructive, oral or written contract, agreement, warranty, guarantee, assurance, covenant, representation or promise, unless such liability would have attached to the **Covered Party** even in the absence of such contract or agreement; however, solely with respect to Insuring Agreement I.C., this exclusion does not apply to liability **assumed under contract**;

**K. Guarantees**

Based upon or arising out of any express, implied, actual, constructive, oral or written contract, agreement, warranty, guarantee, assurance, covenant, representation or promise:

1. for or relating to return on investment, cost savings, or profits;
2. for or relating to time of delivery; or
3. which creates or requires compliance with an expressed or implied duty to exercise a degree of care or skill higher than applicable industry standards.

**L. Advertising**

Based upon or arising out of :

1. fees, expenses, cost guarantees, cost representations, pricing guarantees, price representations, contract price, estimates of probable costs, or cost estimates actually or allegedly being exceeded;
2. any actual or alleged gambling, contest, lottery, promotional game or other game of chance;
3. inaccurate, inadequate, or incomplete description of the price of goods, products or services; or
4. the failure of goods, products or services to conform with any represented or implied quality or performance contained in **advertising**.

**M. Product Recall**

Based upon or arising out of any loss, cost or expenses incurred or that may be incurred by the **Covered Party** or others for the:

1. adjustment, withdrawal, recall, inspection, repair, replacement, reproduction, removal or disposal of:
  - a. any **technology products**, including any products or other property of others that incorporate **technology products**;
  - b. any products or other property on which **miscellaneous professional services** or **technology services** are performed; or
  - c. any work product resulting from or incorporating the results of **miscellaneous professional services** or **technology services**; or
2. reprinting, recall, withdrawal, removal or disposal of any **media material**, including any media or products containing **media material**.

**N. Business Practice**

**Based** upon or arising out of any actual or alleged anti-trust violation, price fixing, monopolization, predatory pricing, price discrimination, restraint of trade, unfair competition, violation of consumer protection laws (except consumer privacy protection laws for **claims** involving a **privacy wrongful act**), false, deceptive or unfair trade practices, false, deceptive or misleading **advertising**, or violation of the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, as amended, the Federal Trade Commission Act, or any other local, state, federal, or foreign law involving monopoly, price fixing, anti-trust, predatory pricing, price

discrimination, unfair competition, false, deceptive or unfair trade practices, false, deceptive or misleading **advertising**, consumer protection or restraint of trade.

**O. Patent**

**Based** upon or arising out of any actual or alleged infringement of patent or patent rights or misuse of patent.

**P. Privacy**

**Based** upon or arising out of:

1. telemarketing or the distribution of unsolicited email, direct mail, or facsimiles;
2. the collection of information by means of electronic "spiders", "spy bots", "spyware" or similar means, wire tapping or bugging, video camera, or radio frequency identification tags; or
3. the unlawful collection or acquisition of **personally identifiable information**, or the failure to comply with a legal requirement to allow a person to opt-in or opt-out of the **Covered Party's obtaining, acquisition, compilation or use of their personally identifiable information**.

**Q. Governmental Action**

Except with respect to Insuring Agreement I.C.3, brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity.

**R. Software Responsibility**

**Based** upon or arising out of any actual or alleged failure to install available software product updates and releases, or to apply security-related software patches, to computers and other components of a **computer system**.

**S. Act of God**

**Based** upon or arising out of any actual or any way involving any actual or alleged fire, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of God or other physical event.

**T. Recovery of Profits, Royalties and Fees**

Based upon or arising out of:

1. accounting or recovery of profits, royalties, fees or other monies claimed to be due from an **Covered Party** or any **claim** brought by any such party against an **Covered Party** claiming excessive or unwarranted fees, compensation or charges of any kind made by an **Covered Party**; or
2. licensing fees or royalties ordered, directed or agreed to be paid by a **Covered Party** pursuant to a judgment, arbitration award, settlement agreement or similar order for the continued use of a person or entity's copyright, title, slogan trademark, trade name, trade dress, service mark, service name or other intellectual property right.

## VII. CONDITIONS

### A. Reporting of Claims, Potential Claims and Events Giving Rise to Privacy Notification Costs

1. The **Covered Party**, as a condition precedent to the obligations of the **Trust** under this policy, will give written notice to the **Trust** as soon as reasonably possible during the **agreement period** of any **claim** made against the **Covered Party**.

The **Trust** further agrees that the **Covered Party** may have up to, but not to exceed, sixty (60) days after the policy expiration to report in writing to the **Trust** a **claim** made against the **Covered Party** during the **agreement period**, if the reporting of such **claim** is as soon as reasonably possible.

2. The **Covered Party**, as a condition precedent to the obligations of the **Trust** under this policy, will give written notice to the **Trust** as soon as reasonably possible during the **agreement period** of any event which might reasonably be expected to give rise to **privacy notification costs**.
3. If during the **agreement period**, any **Covered Party** becomes aware of any act or omission which may reasonably be expected to be the basis of a claim against any **Covered Party**, including but not limited to any notice, advice or threat, whether written or verbal, that any person or entity intends to hold the **Covered Party** responsible for any alleged act or omission and gives written notice to the **Trust** with all available particulars, including:
  - a. the specific act or omission;
  - b. the dates and persons involved;
  - c. the identity of anticipated or possible claimants;
  - d. the circumstances by which the **Covered Party** first became aware of the possible **claim**; and
  - e. potential damages or injury;

then any **claim** that is subsequently made against the **Covered Party** arising out of such act or omission will be deemed to have been made on the date such written notice was received by the **Trust**. Said documents and information should be mailed to the **Trust** at the following address:

Preferred Governmental Insurance Trust  
Claims Department  
615 Crescent Executive Court, Suite 600  
Lake Mary, FL 32746

4. If during the **agreement period** the **Covered Party** gives written notice to the **Trust** of an event which might reasonably be expected to give rise to **privacy notification costs**, then any **claim** that is subsequently made against the **Covered Party** arising out of such event will be deemed to have been made on the date such written notice was received by the **Trust**.

### B. Assistance and Cooperation

1. The **Covered Party** will cooperate with the **Trust** and upon the **Trust's** request, attend hearings, depositions and trials and assist in effecting settlements, securing and giving

evidence, obtaining the attendance of witnesses and in the conduct of suits and proceedings in connection with a **claim** or payment of **privacy notification costs**.

2. The **Covered Party** will assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any **Covered Party** in connection with a **claim** or payment of **privacy notification costs**.
3. The **Covered Party** will not, except at the **Covered Party's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the prior written consent of the **Trust**.

**C. Action Against the Trust**

1. No action may be brought against the **Trust** unless, as a condition precedent thereto:
  - a. The **Covered Party** has fully complied with all the terms of this policy; and
  - b. Other than with respect to coverage provided under Insuring Agreements I.C.2 and I.C.3, until the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Covered Party** after actual trial and appeal or by written agreement of the **Covered Party**, the claimant and the **Trust**.
2. Nothing contained in this policy will give any person or organization the right to join the **Trust** as a defendant or co-defendant or other party in any action against the **Covered Party** to determine the **Covered Party's** liability.

**D. Bankruptcy**

Bankruptcy or insolvency of the **Covered Party** or of the **Covered Party's** estate will not relieve the **Trust** of any of its obligations hereunder.

**E. Other Insurance**

This policy is excess over any other valid and collectible insurance, self-insurance or indemnification agreement available to the **Covered Party**, whether such other insurance or indemnification agreement is stated to be primary, contributory, excess, contingent, self-insurance or otherwise.

**F. Subrogation**

In the event of any payment for any **damages, claim expenses** or **privacy notification costs** under this policy, the **Trust** will be subrogated in the amount of such payment to all the **Covered Party's** rights of recovery against any person or organization. The **Covered Party** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Covered Party** will do nothing to prejudice such rights.

**G. Changes**

Notice to any agent of the **Trust** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of this policy, and will not prevent or preclude the **Trust** from asserting or invoking any right or provision of this policy. None of the provisions of this policy will be waived, changed or modified except by a written endorsement issued by the **Trust** to form a part of this policy.

**H. Entire Contract**

By acceptance of this policy the **Covered Party** warrants that:

1. All of the information and statements provided to the **Trust** by the **Covered Party**, including but not limited to the application and any supplemental information, are true, accurate and complete and will be deemed to constitute material representations made by the **Covered Party**;
2. This policy is issued in reliance upon the **Covered Party's** representations;
3. This policy, endorsements thereto, together with the completed and signed application and any and all supplementary information and statements provided by the **Covered Party** to the **Trust** (all of which are attached hereto and deemed to be incorporated herein) embody all of the agreements existing between the **Covered Party** and the **Trust** and shall constitute the entire contract between the **Covered Party** and the **Trust**; and
4. Any material misrepresentation or concealment by the **Covered Party** or the **Covered Party's** agent will render the policy null and void and relieve the **Trust** from all liability herein.

**I. Notices**

Any notices required to be given by the **Covered Party** will be submitted in writing to the **Trust** or its authorized representative at the address specified in the Declarations. If mailed, the date of mailing of such notice will be deemed to be the date such notice was given and proof of mailing will be sufficient proof of notice.

**J. Assignment**

No assignment of interest of the **Covered Party** under this policy is valid, unless the **Trust's** written consent is endorsed hereon.

**K. Innocent Covered Parties**

Whenever coverage under this policy would be excluded because of dishonest, fraudulent, criminal or malicious acts or omissions, the **Trust** agrees that such insurance as would otherwise be afforded under this policy, will be applicable with respect to those **Covered Parties** who did not personally participate or personally acquiesce in or remain passive after having knowledge of such conduct. Each **Covered Party** must promptly comply with all provisions of this policy upon learning of any concealment.

**L. Social Engineering Financial Fraud**

The coverage provided under **Section II, D.** shall apply only if the **Insured** verifies the instruction to transfer money or securities by following a pre-arranged callback or other established procedural method to authenticate the validity of the request prior to acting upon any transfer instruction.

**VIII. EXTENDED REPORTING PERIODS**

**A. Elimination of Right to Any Extended Reporting Period**

There is no right to any Extended Reporting Period if the **Trust** cancels or refuses to renew this policy due to:

1. nonpayment of amounts due under this policy;
2. noncompliance by the **Covered Party** with any of the terms and conditions of this policy; or
3. any material misrepresentation or omission in the application or the supplementary information and statements provided by the **Covered Party** for this policy.

**B. Extended Reporting Period - Not a New Policy**

The Extended Reporting Period will not be construed to be a new policy and any **claim** or event giving rise to **privacy notification costs** reported during such period will otherwise be governed by this policy.

**C. Automatic Extended Reporting Period**

Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Covered Party** will automatically be provided a period of sixty (60) days in which to give written notice to the Trust of:

1. **Claims** first made against the **Covered Party** during the **policy period** or the automatic extended reporting period for **third party wrongful acts** committed by a **covered party** after the retroactive date and prior to the end of the **policy period**; or
2. first party incidents that are first discovered by a **covered party** during said sixty (60) day period and otherwise covered by the Policy.



## PUBLIC ENTITY AUTOMOBILE COVERAGE PART DECLARATIONS

### ITEM ONE

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

### ITEM TWO

#### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

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

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the Covered Auto Section of the Public Entity Automobile Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	2	Total Any One Accident \$5,000,000  \$100,000 SIR Deductible Subject to PGIT MN-306	Included
PERSONAL INJURY PROTECTION (or equivalent No-fault Coverage)	5	STATUTORY	Included
AUTO MEDICAL PAYMENTS	2	\$5,000	Included
UNINSURED MOTORISTS	2	\$50,000	Included
UNDERINSURED MOTORISTS	2	\$50,000	Included
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	2,8	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DED. AS SCHEDULED FOR EACH COVERED AUTO PER ATTACHED SCHEDULE, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING. See ITEM FOUR For Hired Or Borrowed "Autos."	Included
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE	N/A	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$____ DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM. See ITEM FOUR For Hired Or Borrowed "Autos"	Not Included
PHYSICAL DAMAGE COLLISION COVERAGE	2,8	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DED. AS SCHEDULED FOR EACH COVERED AUTO PER ATTACHED SCHEDULE. See ITEM FOUR For Hired Or Borrowed "Autos."	Included
PHYSICAL DAMAGE TOWING AND LABOR (Not available in California)	N/A	N/A For Each Disablement of A Private Passenger "Auto"	Not Included
<b>PREMIUM</b>			<b>INCLUDED</b>

**ITEM THREE****SCHEDULE OF COVERED AUTOS YOU OWN**

SEE ATTACHED SCHEDULE

**ITEM FOUR****SCHEDULE FOR HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS****LIABILITY COVERAGE**

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE	FACTOR (if Liability Cov. Is Primary)	PREMIUM
FL	\$ IF ANY	FLAT CHARGE		Included

**PHYSICAL DAMAGE COVERAGE**

COVERAGES	LIMIT OF COVERAGE THE MOST WE WILL PAY DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE OR COST OF REPAIRS OR \$500,000, WHICHEVER IS LESS, MINUS \$10,000 DED. FOR EACH COVERED AUTO.	\$IF ANY	\$	Included
SPECIFIED CAUSES OF LOSS	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM	\$	\$	\$
COLLISION	ACTUAL CASH VALUE OR COST OF REPAIRS OR \$500,000, WHICHEVER IS LESS, MINUS \$10,000 DED. FOR EACH COVERED AUTO	\$IF ANY	\$	Included
<b>PREMIUM</b>				Included

**ITEM FIVE****SCHEDULE FOR NON-OWNERSHIP LIABILITY**

NAMED COVERED PARTY'S BUSINESS	RATING BASIS	PREMIUM
Municipality	\$IF ANY	Included

**FORMS AND ENDORSEMENTS**

Forms and endorsements applying to this Coverage Part and made part of the coverage agreement at this time of issue:

See PGIT MN-002

Premium: **\$ INCLUDED**

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



Vehicle Schedule

Agreement Period: 10/01/2019 through 10/01/2021

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

AGENCY:

Unit#	Make	Model/Description	Department	AL Eff	Comp Ded	Comp Eff	Comp Term	Value
	Year	VIN #	Vehicle Type	AL Term	Coll Ded	Coll Eff	Coll Term	Valuation Type
001	Ford	Expedition		10/01/2019	1,000	10/01/2019	10/01/2020	\$50,000
	2018	ABCDEFGH12345678	Light Truck	10/01/2020	1,000	10/01/2019	10/01/2020	Actual Cash Value
Total								\$50,000.00



## PUBLIC ENTITY AUTOMOBILE COVERAGE FORM

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

Throughout this Coverage Agreement the words "you" and "your" refer to the Named Covered Parties shown in the Declarations. The words "we," "us" and "our" refer to the Trust providing this coverage.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI - DEFINITIONS.

### **SECTION I - COVERED AUTOS**

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos." The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos."

#### **A. Description of Covered Auto Designation**

##### **Symbols SYMBOL DESCRIPTION**

- 1 = ANY "AUTO."
- 2 = ALL OWNED "AUTOS" ONLY. Only those "autos" you own and or lease (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This also includes all those "autos" you acquire ownership of after the coverage agreement begins.
- 3 = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the coverage agreement begins.
- 4 = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the coverage agreement begins.
- 5 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own and or lease that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
- 6 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own and or lease that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are subject to the same state uninsured motorists requirement.
- 7 = SPECIFICALLY DESCRIBED "AUTOS." Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE).
- 8 = HIRED "AUTOS" ONLY. Only those "autos" you hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your employees or partners or members of their households.
- 9 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business

10 = Per definition assigned on PGIT MN-399, if applicable.

#### **B. Owned Autos You Acquire After the Coverage Agreement Begins**

1. If symbols 1, 2, 3, 4, 5 or 6 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the coverage agreement period. No additional or return premium during the remainder of the annual coverage term, except as noted in B.2.c. below. If the coverage agreement period is a two year agreement then the annual premium change will be reflected in the 2nd year of the coverage agreement renewal premium.
2. But, if symbol 7 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
  - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
  - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.
  - c. Additional and return premium will be subject to pro-rata adjustment. This pro-rata adjustment will apply to all coverage for the "autos" that are added or deleted.

#### **C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos**

If this Coverage Form provides Liability Coverage, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto."
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

### **SECTION II- LIABILITY COVERAGE**

#### **A. Coverage**

We will pay all sums a "covered party" legally must pay as damages because of "bodily injury" or "property damage" to which this coverage applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto."

We will also pay all sums a "covered party" legally must pay as a "covered pollution cost or expense" to which this coverage applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos." However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this coverage applies that is caused by the same "accident."

We have the right and duty to defend any "suit" asking for such damages or a "covered pollution cost or expense." However, we have no duty to defend "suits" for "bodily injury" or "property damage" or a "covered pollution cost or expense" not covered by this Coverage Form. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit has been exhausted by payment of judgments or settlements.

Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow.

The coverages provided under this endorsement apply to any "leased auto" until the expiration date of the Common Declarations page, or when the lessor or his or her agent takes possession of the "leased auto," whichever occurs first.

##### **1. Who Is A Covered Party**

The following are "covered parties":

- a. You for any covered "auto."
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto." This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
  - (2) Your employee if the covered "auto" is owned by that employee or a member of his or her household.
  - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
  - (4) Anyone other than your employees, partners, a lessee or borrower or any of their employees, while moving property to or from a covered "auto."
  - (5) A partner of yours for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of a "covered party" described above but only to the extent of that liability.

## **2. Coverage Extensions**

- a. **Supplementary Payments.** In addition to the Limit of Coverage, we will pay for the "covered party":
  - (1) All expenses we incur.
  - (2) Up to \$1,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
  - (3) The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limit of Coverage.
  - (4) All reasonable expenses incurred by the "covered party" at our request, including actual loss of earning up to \$250 a day because of time off from work.
  - (5) All costs taxed against the "covered party" in any "suit" we defend.
  - (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Coverage.

- b. **Out-of-State Coverage Extensions.**

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Coverage for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## **B. Exclusions**

This coverage does not apply to any of the following:

### **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "covered party."

### **2. Contractual**

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "covered party" would have in the absence of the contract or agreement.

### **3. Workers' Compensation**

Any obligation for which the "covered party" or the "covered party's" coverage provider may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

### **4. Employee Indemnification And Employer's Liability "Bodily injury" to:**

- a. An employee of the "covered party" arising out of and in the course of employment by the "covered party"; or
- b. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph a. above.

This exclusion applies:

- (1) Whether the "covered party" 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.

But this exclusion does not apply to "bodily injury" to domestic employees not entitled to workers' compensation benefits or to liability assumed by the "covered party" under an "insured contract."

### **5. Fellow Employee**

"Bodily injury" to any fellow employee of the "covered party" arising out of and in the course of the fellow employee's employment.

### **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "covered party" or in the "covered party's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

### **7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "covered party" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "covered parties."

### **8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto."

### **9. Operations**

"Bodily injury" or "property damage" arising out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment."

### **10. Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

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

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

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

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

## **11. Pollution**

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

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "covered party"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "covered party" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "covered party."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment."

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to a "covered party" with respect to "pollutants" not in or upon a covered "auto" if:

- (3) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (4) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

## **12. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

## **13. Professional Liability**

"Bodily injury" resulting from the providing or the failure to provide any medical or other professional services.

## **14. Racing**

This coverage does not apply to any "bodily injury" or "property damage" sustained as a result of any covered "auto" while the covered "auto" is being used in any professional or non-professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This coverage also does not apply to any "bodily injury" sustained while the "auto" is being prepared for such a contest or activity.

## **C. Limit Of Coverage**

1. Regardless of the number of covered "autos," "covered parties," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Coverage for Liability Coverage shown in the Declarations.
2. All "bodily injury," "property damage" and "covered pollution cost or expense" 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 duplicative payments for the same elements of "loss" under this Coverage Agreement and any Medical payments, Uninsured Motorist, or Underinsured Motorists within this Coverage Agreement.
4. The most we will pay is further limited by limitations set forth in Section 768.28(5), Florida Statutes (2010) or the equivalent limitations of successor law which are applicable at the time of loss.

However, subject to the amount in the Limit of Coverage shown in the Declarations -

**FLORIDA AUTOMOBILE LIABILITY LIMITS** we will pay:

- a. The amount indicated when the Florida Legislature enacts an appropriate claim bill in accordance with Section 768.28 (5), Florida Statutes;
  - b. The amount determined by a court of competent jurisdiction for liable action taken outside the state of Florida; or
  - c. The amount shown in the Limit of Coverage shown in the Declarations when Florida Statutes Section 768.28 (5), is inapplicable.
5. Damages will not include:
- a. taxes, fines, penalties, or sanctions;
  - b. punitive or exemplary damages or the multiple portion of any multiplied damages award;
  - c. matters uninsurable under the laws pursuant to which this **Coverage Agreement** is construed; or
  - d. the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief.

#### **D. Other Coverage**

For any covered "autos" you do not own, hire, rent or borrow that are used in connection with your business, the coverage provided by this Coverage Form is excess over any other collectible coverage.

### **SECTION III - PHYSICAL DAMAGE COVERAGE**

#### **A. Coverage**

1. We will pay for "loss" to a covered "auto" or its equipment under:
  - a. Comprehensive Coverage. From any cause except:
    - (1) The covered "auto's" collision with another object; or
    - (2) The covered "auto's" overturn.
  - b. Specified Causes of Loss Coverage. Caused by:
    - (1) Fire, lightning or explosion;
    - (2) Theft;
    - (3) Windstorm, hail or earthquake;
    - (4) Flood;
    - (5) Mischief or vandalism; or
    - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto."
  - c. Collision Coverage. Caused by:
    - (1) The covered "auto's" collision with another object; or
    - (2) The covered "auto's" overturn.

**2. Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

**3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles.**

If you carry Comprehensive Coverage for the damaged covered "auto," we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

**4. Theft:** We will pay up to \$50 per day subject to the rental coverage aggregate provided in coverage part 5. Rental Coverage below of \$5,000 in any one coverage period for transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the coverage agreement's expiration, when the covered "auto" is returned to use or we pay for its "loss."

**5. Rental Coverage**

- a. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductibles apply to this coverage.
- b. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:
  - (1) The number of days reasonably required to repair or replace the covered "auto" or,
  - (2) Thirty (30) days.
- c. Our payment is limited to the lesser of the following amounts:
  - (1) Necessary and actual expenses incurred that relate directly to the "loss" of the covered auto.
  - (2) The maximum payment stated applicable to "any one day" or "any one coverage period" for each occurrence.
- d. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.
- e. The maximum amount payable is \$50.00 per day per covered automobile per occurrence, or \$5,000 in the aggregate for the coverage period in which the losses occur. The rental coverage for theft also applies under this same aggregate.

**B. Exclusions**

- 1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."
  - a. Nuclear Hazard.
    - (1) The explosion of any weapon employing atomic fission or fusion; or
    - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
  - b. War or Military Action.
    - (1) War, including undeclared or civil war;
    - (2) 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

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

**2. Other Exclusions.**

a. We will not pay for "loss" to any of the following:

- (1) Tape decks or other sound reproducing equipment unless permanently installed in a covered "auto."
- (2) Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
- (3) Sound receiving equipment designed for use as a citizen's band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "auto" manufacturer for the installation of a radio.
- (4) Equipment designed or used for the detection or location of radar.

b. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this agreement:

- (1) Wear and tear, freezing, mechanical or electrical breakdown.
- (2) Blowouts, punctures or other road damage to tires.

c. We will not pay for "loss" to any covered "auto" while used in any racing or demolition contest, or stunting activity, or while practicing for any such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

**C. Limit Of Coverage**

The most we will pay for "loss" in any one "accident" is the lesser of:

1. The actual cash value of the damaged or stolen property as of 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; or
3. 110% of the value reported on the applicable schedule
4. If the valuation type shown on the automobile schedule is "agreed value", then items C1 and 3 do not apply and the loss is paid based on the cost to repair or the agreed value on the schedule, whichever is less, less the applicable deductible.
5. Limited Replacement Cost: We will reimburse, on a replacement cost basis, the Named Covered Party of an owned and scheduled private passenger vehicle, light truck, or sport utility vehicle that is involved in a covered total loss if the vehicle has less than 18,000 miles and is within the first 12 months of being scheduled at the time of the total loss. This coverage does not apply to police vehicles or vehicle types other than those listed in the preceding sentence.

**D. Deductible**

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Schedule. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

**SECTION IV - AUTO MEDICAL PAYMENTS COVERAGE**

**A. Coverage**

We will pay reasonable expenses incurred for necessary medical and funeral services to or for a Covered Party who sustains "bodily injury" caused by "accident." We will pay only those expenses incurred, for services rendered within three years from the date of the "accident."

**B. Who Is A Covered Party**

1. You while "occupying" or, while a pedestrian, when struck by any "auto."

2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

#### **C. Exclusions**

This coverage does not apply to any of the following:

1. "Bodily injury" sustained by a Covered Party while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member."
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
5. "Bodily injury" to a Covered Party while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.
7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily Injury" sustained by a Covered Party while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This coverage also does not apply to any "bodily injury" sustained by an covered party while the "auto" is being prepared for such a contest or activity.

#### **D. Limit of Coverage**

Regardless of the number of covered "autos," "covered parties," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for "bodily injury" for each Covered Party injured in any one "accident" is the Limit Of Coverage for Auto Medical Payments Coverage shown in the Declarations.

#### **E. Changes In Conditions**

Section V - Conditions are changed for Auto Medical Payments Coverage as follows:

1. Section V.A.5 - The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply.
2. The reference in Other Coverage in the Business Auto and Garage Coverage Forms and Other Coverage - Primary And Excess Coverage Provisions in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

#### **F. Additional Definitions**

As used in this Section:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

### **SECTION V - BUSINESS AUTO CONDITIONS**

The following conditions apply in addition to the Common Coverage Agreement Conditions:

#### **A. Loss Conditions**

### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss," either may demand an appraisal of the "loss." In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire.

The appraisers will state separately the actual cash value and amount of "loss." If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

### **2. Duties In The Event Of Accident, Claim, Suit Or Loss**

- a. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt notice of the "accident" or "loss." Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "covered party's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "covered party" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "covered party's" own cost.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit."

- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit".
- (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

### **3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "covered party" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this coverage agreement to bring us into an action to determine the "covered party's" liability.

#### **4. Loss Payment - Physical Damage**

**Coverages** At our option we may:

- a. Pay for, repair or replace damaged or stolen property; or
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

#### **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form 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 "accident" or "loss" to impair them.

#### **6. Support and Cooperation in Opposition to Claim Bill Legislation**

If we act to oppose legislation brought forth in accordance with Florida Statute 768.28, arising from a covered occurrence, you shall use your best efforts to provide us with positive support and cooperation in such opposition:

Such positive support and cooperation shall include, but is not limited to:

- a. Formal proclamations or resolutions by your governing board in opposition to such legislation;
- b. Oral or written testimony of your officials and employees at legislative hearings or other legislative proceedings in opposition to such legislation; and
- c. Personal contact by your officials and employees with legislators identified by us.

### **B. General Conditions**

#### **1. Bankruptcy**

Bankruptcy or insolvency of the "covered party" or the "covered party's" estate will not relieve us of any obligations under this Coverage Form.

#### **2. Concealment, Misrepresentation Or Fraud**

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "covered party," at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

#### **3. Coverage Agreement Period, Coverage Territory**

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the Coverage Agreement period shown in the Declarations; and
- b. Within the coverage territory. The coverage territory is:
  - (1) The United States of America;
  - (2) The territories and possessions of the United States of America;
  - (3) Puerto Rico; and
  - (4) Canada.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

#### **4. No Benefit To Bailee - Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

#### **5. Premium Audit**

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this coverage agreement began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Covered Party will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Covered Party will get a refund.
- b. If this coverage agreement is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the coverage agreement.

#### **6. Two Or More Coverage Forms Or Agreements Issued By Us**

If this Coverage Form and any other Coverage Form or coverage agreement issued to you by us or any company affiliated with us apply to the same "accident," the aggregate maximum Limit of Coverage under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Coverage under any one Coverage Form or coverage agreement. This condition does not apply to any Coverage Form or coverage agreement issued by us or an affiliated company specifically to apply as excess coverage over this Coverage Form.

### **SECTION VI - DEFINITIONS**

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage."
- B. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads but does not include "mobile equipment."
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:
  1. Any request, demand or order; or
  2. Any claim or "suit" by or on behalf of a governmental authority demanding that the "covered party" 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."

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

  - a. That are, or that are contained in any property that is:
    - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
    - (2) Otherwise in the course of transit by or on behalf of the "covered party";
    - (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or
  - b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "covered party" for movement into or onto the covered "auto"; or
  - c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the

covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "covered party"

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b. or 6.c. of the definition of "mobile equipment."

d. Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to a "covered party" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Covered party" means any person or organization qualifying as a covered party in the Who Is A Covered Party provision of the applicable coverage. Except with respect to the Limit of Coverage, the coverage afforded applies separately to each covered party who is seeking coverage or against whom a claim or "suit" is brought.

F. "Insured Contract" means an agreement between two or more cities, counties, special districts, or other governmental bodies regarding:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. Where permitted by Florida Statute 768.28, 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 public entity to pay for "bodily 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.
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your employees, of any "auto." However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your employees to pay for "property damage" to any "auto" rented or leased by you or any of your employees.

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; or
- b. That pertains to the loan, lease or rental of an "auto" to you or any of your employees, if the "auto" is loaned, leased or rented with a driver; or
- c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- d. That does not comply with Florida Statute 768.28.

- G. "Leased Auto" means an "auto" leased or rented to you, including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary coverage for the lessor.
- H. "Loss" means direct and accidental loss or damage.
- I. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;
  4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a. Power cranes, shovels, loaders, diggers or drills; or
    - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
  5. Vehicles not described in paragraphs 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - b. Cherry pickers and similar devices used to raise or lower workers.
  6. Vehicles not described in paragraphs 1., 2., 3., or 4. 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" but will be considered "autos":
    - a. Equipment designed primarily for:
      - (1) Snow removal;
      - (2) Road maintenance, but not construction or resurfacing; or
      - (3) Street cleaning;
    - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.
  7. However, "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 "autos".
- J. "Pollutants" means any solid, liquid, mold, 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.
- K. "Property damage" means damage to or loss of use of tangible property.
- L. "Suit" means a civil proceeding in which:
- (1) Damages because of "bodily injury" or "property damage"; or
  - (2) A "covered pollution cost or expense"
- to which this coverage applies, are alleged.
- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "covered party" must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "covered party" submits with our consent.

**M.** "Trailer" includes semitrailer.



## PUBLIC ENTITY FLORIDA CHANGES

### **THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY.**

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300:**

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

**A. Physical Damage Coverage is changed as follows:**

1. No deductible applies under Specified Causes of Loss or Comprehensive coverage for "loss" to glass used in the windshield.
2. All other Physical Damage Coverage provisions will apply.
3. Paragraph 1. of Loss Conditions, Appraisal for Physical Damage Loss, is replaced by the following:

**1. Appraisal for Physical Damage Loss**

If you and we disagree on the amount of "loss," either may demand an appraisal of the "loss." Upon notice of a demand for appraisal, the opposing party may, prior to appraisal, demand mediation of the dispute in accordance with the Mediation provision contained in this endorsement. The mediation must be completed before a demand for appraisal can be made. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss." If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we still retain our right to deny the claim.

**B. The following condition is added to the General Conditions:**

**Mediation**

1. In any claim filed by a "covered party" with us for:
  - a. "Bodily injury" in an amount of \$10,000 or less, arising out of the ownership, operation, use or maintenance of a covered "auto";
  - b. "Property damage" in any amount, arising out of the ownership, operation, maintenance or use of a covered "auto," or
  - c. "Loss" to a covered "auto" or its equipment, in any amount;either party may make a written demand for mediation of the claim prior to the institution of litigation.
2. A written request for mediation must be filed with the Florida Department of Insurance on an approved form, which may be obtained from the Florida Department of Insurance.
3. The request must state:
  - a. Why mediation is being requested.
  - b. The issues in dispute, which are to be mediated.

4. The Florida Department of Insurance will randomly select mediators. Each party may reject one mediator, either before or after the opposing side has rejected a mediator. The mediator will notify the parties of the date, time and place of the mediation conference. The mediation conference will be held within 45 days of the request for mediation. The conference will be held by telephone if feasible. The participants in the mediation conference must have the authority to make a binding decision, and must mediate in good faith. Each party will bear the expenses of the mediation equally, unless the mediator determines that one party has not mediated in good faith.
5. Only one mediation may be requested for each claim unless all parties agree to further mediation. A party demanding mediation shall not be entitled to demand or request mediation after a suit is filed relating to the same facts already mediated.
6. The mediation shall be conducted as an informal process and formal rules of evidence and procedures need not be observed.



## PUBLIC ENTITY

### FLORIDA UNINSURED MOTORISTS COVERAGE – NON-STACKED

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

ENDORSEMENT EFFECTIVE: 10/01/2019

#### THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300;**

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

This endorsement changes the agreement effective on the inception date of the agreement unless another date is indicated above.

#### SCHEDULE

Limit of Coverage	\$50,000	Each "Accident"
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*(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)*

#### A. Coverage

1. We will pay all sums the "covered party" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle." The damages must result from "bodily injury" sustained by the "covered party" caused by an "accident" The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. With respect to damages resulting from an "accident" with a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle," we will pay for this coverage only if **a.** or **b.** below applies:
  - a. The limit 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 a "covered party" 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 "covered party" in an amount equal to the tentative settlement within 30 days after receipt of notification.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

#### B. Who Is A Covered Party

If the Named Covered Party is designated in the Declarations as:

1. An individual, then the following are "covered parties":
  - a. The Named Covered Party and any "family members."
  - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" 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 "covered party."

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "covered parties":
  - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" 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 "covered party."

### C. Exclusions

This coverage agreement does not apply to:

1. Any claim settled or judgment reached without our consent, unless our right to recover payment has not been prejudiced by such settlement or judgment. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in Paragraph b. of the definition of an "uninsured motor vehicle."
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
4. "Bodily injury" sustained by:
  - a. An individual Named Covered Party while "occupying" or when struck by a vehicle owned by that individual Named Covered Party that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage form;
  - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
  - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Covered Party that is covered for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
  - d. Any "covered party" with respect to damages for pain, suffering, mental anguish or inconvenience unless the "bodily injury" consists in whole or in part of:
    - (1) Significant and permanent loss of an important bodily function;
    - (2) Permanent injury within a reasonable degree of medical probability, other than scarring or disfigurement;
    - (3) Significant and permanent scarring or disfigurement; or
    - (4) Death.
5. Punitive or exemplary damages.

### D. Limit of Coverage

1. Regardless of the number of covered "autos," "covered parties," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the limit of Uninsured Motorists Coverage shown in the Schedule of Declarations. However, any recovery for damages sustained by an individual Named Covered Party or any "family member":
  - a. While "occupying" a vehicle owned by that Named Covered Party or any "family member" may equal, but not exceed, the limit of coverage for Uninsured Motorists Coverage applicable to that vehicle.
  - b. While "occupying" a vehicle not owned by that Named Covered Party or any "family member" may equal, but not exceed, the sum of:
    - (1) The limit of coverage for Uninsured Motorists Coverage applicable to the vehicle such Named Covered Party or any "family member" were "occupying" at the time of the "accident," and
    - (2) The highest limit of coverage for Uninsured Motorists Coverage applicable to any one vehicle under any one policy affording coverage to such Named Covered Party or any "family member";

- c. While not "occupying" any vehicle may equal, but not exceed, the highest limit of coverage for Uninsured Motorists Coverage applicable to any one vehicle under any one policy affording coverage to an individual Named Covered Party or any "family member."
- 2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage Form, No-Fault Coverage Endorsement, Medical Payments Coverage Endorsement, or Uninsured Motorists Coverage Endorsement attached to this Coverage Part.
- 3. We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.
- 4. We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

#### **E. Changes in Conditions**

The conditions are changed for Uninsured Motorists Coverage Non-Stacked as follows:

1. Other Coverage in the Business Auto and Garage Coverage Forms and Other Coverage – Primary And Excess Coverage Provisions in the Truckers and Motor Carrier Coverage Forms are replaced by the following:  
If there is other applicable coverage available under one or more Coverage Forms, policies or provisions of coverage:
  - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage form or policy providing coverage on either a primary or excess basis.
  - b. Any coverage we provide with respect to a vehicle the Named Covered Party does not own shall be excess over any collectible Uninsured Motorists Coverage providing coverage on a primary basis.
  - c. If the coverage under this Coverage Form is provided:
    - (1) On a primary basis, we will pay only our share of the loss that must be paid under an agreement providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
    - (2) On an excess basis, we will pay only our share of the loss that must be paid under coverage providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
2. Duties In The Event Of Accident, Claim, Suit Or Loss is changed by adding the following:
  - a. Promptly notify the police if a hit-and-run driver is involved; and
  - b. Promptly send us copies of the legal papers if a "suit" is brought.
  - c. A person seeking Uninsured Motorists Coverage must also promptly notify us in writing by certified or registered mail of a tentative settlement between the "covered party" and the insurer of the vehicle described in Paragraph b. of the definition of an "uninsured motor vehicle" and allow us 30 days to advance payment to that "covered party" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such vehicle described in Paragraph b. of the definition of an "uninsured motor vehicle."
3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:  
If we make any payment and the "covered party" recovers from another party, the "covered party" shall hold the proceeds in trust for us and pay us back the amount we have paid.  
Our rights do not apply under this provision with respect to Uninsured Motorists Coverage if we:
  - a. Have been given prompt written notice of a tentative settlement between a "covered party" and the insurer of a vehicle described in Paragraph b. of the definition of an "uninsured motor vehicle"; and
  - b. Fail to advance payment to the "covered party" in an amount equal to the tentative settlement within 30 days after receipt of notification.
 If we advance payment to the "covered party" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- c. That payment will be separate from any amount the "covered party" is entitled to recover under the provision of Uninsured Motorists Coverage; and
  - d. We also have a right to recover the advanced payment.
4. The following Condition is added:
- a. Arbitration
    - (1) If we and a "covered party" do not agree:
      - (a) Whether that person is legally entitled to recover damages under this endorsement; or
      - (b) As to the amount of damages that are recoverable by that person;Then the matter may be mediated, in accordance with the Mediation Provision contained in General Conditions, if the damages resulting from "bodily injury" are for \$10,000 or less, or arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
    - (2) Each party will pay the expenses it incurs and bear the expense of the third arbitrator equally.
    - (3) Unless both parties agree otherwise, arbitration will take place in the county in which the "covered party" lives.Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.
  - b. Florida Arbitration Act

If we and a "covered party" agree to arbitration, the Florida Arbitration Act will not apply.
  - c. Mediation
    - (1) In any claim filed by a "covered party" with us for:
      - (a) "Bodily injury" in an amount of \$10,000 or less, arising out of the ownership, operation, use or maintenance of a covered "auto";
      - (b) "Property damage" in any amount, arising out of the ownership, operation, maintenance or use of a covered "auto"; or
      - (c) "Loss" to a covered "auto" or its equipment, in any amount;either party may make a written demand for mediation of the claim prior to the institution of litigation.
    - (2) A written request for mediation must be filed with the Florida Department of Insurance on an approved form, which may be obtained from the Florida Department of Insurance.
    - (3) The request must state:
      - (a) Why mediation is being requested.
      - (b) The issues in dispute, which are to be mediated.
    - (4) The Florida Department of Insurance will randomly select mediators. Each party may reject one mediator, either before or after the opposing side has rejected a mediator. The mediator will notify the parties of the date, time and place of the mediation conference. The mediation conference will be held within 45 days of the request for mediation. The conference will be held by telephone, if feasible. Participants in the mediation conference must have the authority to make a binding decision, and must mediate in good faith. Each party will bear the expense of the mediation equally, unless the mediator determines that one party has not mediated in good faith.
    - (5) Only one mediation may be requested for each claim unless all parties agree to further mediation. A party demanding mediation shall not be entitled to demand or request mediation after a suit is filed relating to the same facts already mediated.
    - (6) The mediation shall be conducted as an informal process and formal rules of evidence and procedures need not be observed.

## **F. Additional Definitions**

As used in this endorsement:

1. "Family member" means a person related to an individual Named Covered Party by blood, marriage or adoption who is a resident of such Named Covered Party's household, including a ward or foster child.
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 an "accident";
  - b. That is an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle or "trailer" for which a "bodily injury" liability bond or policy applies at the time of an "accident" but the amount paid under that bond or policy to a "covered party" is not enough to pay the full amount the "covered party" is legally entitled to recover as damages caused by the "accident";
  - c. For which an insuring or bonding company denies coverage or becomes insolvent; or
  - d. For which neither the driver nor owner can be identified. The land motor vehicle or "trailer" must
    - (1) Hit an individual Named Covered Party or any "family member," a covered "auto" or a vehicle such Named Covered Party or any "family member" are "occupying"; or
    - (2) Cause an "accident" resulting in "bodily injury" to an individual Named Covered Party or any "family member" without hitting that Named Covered Party, any "family member," a covered "auto" or a vehicle such Named Covered Party or any "family member" are "occupying."If there is no physical contact with the land motor vehicle or "trailer," the facts of the "accident" must be proved. We will only accept competent evidence other than the testimony of a person making claims under this or any similar coverage.

However, "uninsured motor vehicle" does not include any vehicle:

- e. Owned by a governmental unit or agency;
- f. Designed for use mainly off public roads while not on public roads; or
- g. Owned by or furnished or available for the regular use of the Named Covered Party, or If the Named Covered Party is an individual, any "family member" unless it is a covered "auto" to which the Coverage Form's Liability Coverage applies and liability coverage is excluded for any person or organization other than the Named Covered Party, or if the Named Covered Party is an individual, any "family member."



## PUBLIC ENTITY

### AUTOMOBILE DEDUCTIBLE LIABILITY COVERAGE

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

ENDORSEMENT EFFECTIVE: 10/01/2019

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

This endorsement modifies coverage provided under the AUTOMOBILE COVERAGE FORM, PGIT MN-300:

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

This endorsement changes the agreement effective on the inception date of the agreement unless another date is indicated above.

#### SCHEDULE

"Bodily Injury" And "Property Damage" Combined	\$100,000 SIR	Each "Accident"
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*(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)*

LIABILITY COVERAGE is changed as follows:

#### A. LIABILITY COVERAGE DEDUCTIBLE

The damages caused in any one "accident" that would otherwise be payable under LIABILITY COVERAGE will be reduced by the Liability Deductible shown in the Schedule prior to the application of the LIMIT OF COVERAGE provision.

#### B. BODILY INJURY LIABILITY COVERAGE DEDUCTIBLES

##### 1. Per Person

The damages that would otherwise be payable under LIABILITY COVERAGE for "bodily injury" sustained by any one person, in any one "accident," will be reduced by the "Bodily Injury" Per Person Deductible shown in the Schedule prior to the application of the LIMIT OF COVERAGE provision.

##### 2. Per Accident

The damages that would otherwise be payable under LIABILITY COVERAGE for all "bodily injury" caused in any one "accident" will be reduced by the "Bodily Injury" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF COVERAGE provision.

#### C. PROPERTY DAMAGE LIABILITY COVERAGE DEDUCTIBLE

The damages that would otherwise be payable under LIABILITY COVERAGE for "property damage" caused in any one "accident" will be reduced by the "Property Damage" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF COVERAGE provision.

#### D. OUR RIGHT TO REIMBURSEMENT

To settle any claim or "suit" we may pay all or any part of any deductible shown in the Schedule. If this happens, you must reimburse us for the deductible or the part of the deductible we paid.



## PUBLIC ENTITY

### Florida Personal Injury Protection

#### THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY.

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Florida, this endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300:**

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

We agree with the "Named Covered Party," subject to all provisions of this endorsement and to all of the provisions of the agreement except as modified herein, as follows that:

#### SCHEDULE

Any Personal Injury Protection deductible shown in the Declarations of \$100,000 SIR is applicable to the following "Named Covered Party" only:

ZZZ, Town of

<b><u>Benefits</u></b>	<b><u>Limit Per Person</u></b>
Total Aggregate Limit	Up to \$10,000 Limit (Medical and Disability Benefits)
Death Benefits	\$5,000 (in addition to the medical and disability benefits)
Medical Benefits	80% of reasonable medical expenses subject to total aggregate limit
Disability Benefits	60% of loss of gross income and earning capacity and replacement services subject to total aggregate limit (payable every two weeks)

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

#### A. Coverage

We will pay Personal Injury Protection benefits in accordance with the Florida Motor Vehicle No-Fault Law, as amended, to or for a "covered party" who sustains bodily injury, sickness, disease, or death arising out of the ownership, maintenance, or use of a motor vehicle, subject to the limits shown in the schedule, as follows:

##### 1. Medical Benefits

All reasonable "medically necessary" expenses for medical, surgical, X-ray, dental, and rehabilitative services, including prosthetic devices, and medically necessary ambulance, hospital and nursing services if the individual received initial services and care as provided herein within 14 days after the motor vehicle accident, and for necessary remedial treatment and services recognized and permitted under the laws of the state for a "Covered Party" who relies upon spiritual means through prayer alone for healing in accordance with his or her religious beliefs. However, payment of expenses for spiritual healing shall not affect the determination of what other services or procedures are "medically necessary." Initial services and care must be lawfully provided, supervised, ordered, or prescribed by a physician licensed under Chapter 458 (medical physician)

or Chapter 459 (osteopathic physician), a dentist licensed under Chapter 466, or a chiropractic physician licensed under Chapter 460 or that are provided in a hospital or facility that owns or is wholly owned by a hospital. Initial services include care provided by a person or entity licensed under Part III of Chapter 401, which provides emergency transportation and treatment. Follow-up services and care must be consistent with the underlying medical diagnosis rendered as part of the initial services and care provided so long as such care and services are provided by persons and entities authorized pursuant to s.627.736 (1)(a)2. of Florida's Motor Vehicle No-Fault law, as amended. Medical Benefits do not include massage as defined in s. 480.033 or acupuncture as defined in s. 457.102, regardless of the person, entity, or licensee providing massage or acupuncture, and a licensed massage therapist or licensed acupuncturist may not be reimbursed for Medical Benefits under this provision. Reimbursement for services and care is provided (subject to the 80% limitation) up to \$10,000 if a physician licensed under Chapter 466 (medical) or Chapter 459 (osteopathic), dentist licensed under Chapter 466, physician assistant licensed under Chapter 458 or Chapter 459, or an advanced registered nurse practitioner licensed under Chapter 464 has determined that the injured person had an emergency medical condition. Reimbursement is limited to \$2500 (subject to the 80% limitation) if the injured person did not have an emergency medical condition.

**2. Disability Benefits**

With respect to the period of disability of the injured person any loss of gross income and loss of earning capacity per individual from the inability to work proximately caused by the injury sustained by the injured person, plus all expenses reasonably incurred in obtaining from others ordinary and necessary services in lieu of those that, but for the injury, the injured person would have performed without income for the benefit of his or her household; and

**3. Death benefits**

Death benefits of \$5,000 per individual in addition to the Medical Benefits and the Disability Benefits provided. We may pay death benefits to the executor or administrator of the deceased, to any of the deceased's relatives by blood, legal adoption, or by marriage, or to any person appearing to us to be equitably entitled to such benefits.

**B. Who Is A Covered Party**

1. The "Named Covered Party"
2. If the "Named Covered Party" is an individual, any "family member."
3. Any other person while "occupying" a covered "motor vehicle" with the "Named Covered Party's" consent.
4. A "pedestrian" if the "accident" involves the covered "motor vehicle."

**C. Exclusions**

We will not pay Personal Injury Protection benefits for "bodily injury":

1. Sustained by the "Named Covered Party" and relatives residing in the same household while occupying another motor vehicle owned by the named insured and not insured under this policy;
2. Sustained by any person while operating the covered "motor vehicle" without the "Named Covered Party's" expressed or implied consent;
3. Sustained by any person, if such person's conduct contributed to his or her injury under any of the following circumstances:
  - a. Causing injury to himself or herself intentionally; or
  - b. Being injured while committing a felony.
4. To any person, other than the "Named Covered Party" if that person is the "owner" of a "motor vehicle" for which security is required under the Florida Motor Vehicle No-Fault Law;
5. To any person, other than the "Named Covered Party," or any "family member," who is entitled to personal injury protection benefits from the owner of a "motor vehicle" that is not a covered "motor vehicle" under this agreement or from the owner's insurer; or
6. To any person who sustains "bodily injury" while "occupying" a "motor vehicle" located for use as a residence or premises.

#### **D. Limits of Coverage**

1. Regardless of the number of persons covered, policies or bounds applicable, premiums paid, vehicles involved or claims made, the total aggregate limit of personal injury protection Medical benefits and Disability Benefits available under the Florida Motor Vehicle No-Fault Law from all sources combined, including this agreement, for all "loss" and expense incurred by or on behalf of any one person who sustains "bodily injury" as the result of any one "accident," shall be \$10,000, provided that payment for Death Benefits shall be \$5,000 per person, per accident in addition to the aggregate Medical benefits and Disability benefits maximum limitation of \$10,000.
2. Any amount paid under this coverage will be reduced by the amount of benefits an injured person has been paid or is entitled to be paid for the same elements of "loss" under any workers' compensation law.
3. If personal injury protection benefits, under the Florida Motor Vehicle No-Fault Law, have been received from any insurer for the same elements of loss and expense benefits available under this agreement, we will not make duplicate payments to or for the benefit of the injured person. This insurer paying the benefits shall be entitled to recover from us its pro rata share of the benefits paid and expenses incurred in handling the claim.
4. The deductible amount shown in the Schedule, if any, will be deducted from the total amount of expenses and losses listed in Paragraphs A.1, A.2, and A.3 of this endorsement before the application of any percentage limitation for each "Covered Party" to whom the deductible applies. The deductible does not apply to the Death Benefit.
5. As provided for in Section 627.736 (5) of Florida's Motor Vehicle no-Fault Law, as amended, we limit payment to providers subject to the schedule of charges set forth within that section of the law. We will pay all charges (subject to the 80% limitation) for Medical Benefits to providers submitting charges less than those allowed under that section of the law.

#### **E. Changes in Conditions**

The Conditions are changed for Personal Injury Protection as follows:

1. Duties In The Event of Accident, Claim, Suit or Loss:  
In the event of an "accident", the "Named Covered Party" must give us or our authorized representative prompt written notice of the "accident."  
If any injured person or his legal representative institutes a legal action to recover damages for "bodily injury" against a third party, a copy of the summons, complaint or other process served in connection with that legal action must be forwarded to us as soon as possible by the injured person or his or her legal representative.
2. Legal Action Against Us is changed by adding the following:  
No one may bring a legal action against us under this coverage until 30 days after the required notice of "accident" and reasonable proof of claim have been filed with us.
3. Transfer of Rights of Recovery Against Others to Us is replaced by the following:  
Unless prohibited by the Florida Motor Vehicle No-Fault Law, in the event of payment to or for the benefit of any injured person under this coverage:
  - a. We will be reimbursed for those payments, not including reasonable attorneys' fees and other reasonable expenses, from the proceeds of any settlement or judgment resulting from any right of recovery of the injured person against any person or organization legally responsible for the "bodily injury" from which the payment arises. We will also have a lien on those proceeds.
  - b. If any person to or from whom we pay benefits has rights to recover benefits from another, those rights are transferred to us. That person must do everything necessary to secure our rights and must do nothing after loss to impair them.
  - c. The insurer providing personal injury protection benefits on a private passenger "motor vehicle," as defined in the Florida Motor Vehicle No-Fault Law, shall be entitled to reimbursement to the extent of the payment of personal injury protection benefits from the "owner" or the insurer of the "owner" of a commercial "motor vehicle," as defined in the Florida Motor Vehicle No-Fault Law, if such injured person sustained the injury while "occupying," or while a "pedestrian" through being struck by, such commercial "motor vehicle."

4. The Concealment, Misrepresentation Or Fraud provision is replaced by the following: We do not provide coverage under this endorsement for a "Covered Party" if that "Covered Party" has committed, by a material act or omission, any insurance fraud relating to personal injury protection coverage under this form, if fraud is admitted to in a sworn statement by the "covered party" or if the fraud is established in a court of competent jurisdiction. Any insurance fraud shall void all personal injury protection coverage arising from the claim with respect to the "Covered Party" who committed the fraud. Any benefits paid prior to the discovery of that "Covered Party's" fraud shall be recoverable from that "Covered Party." If we had reasonable belief that a fraudulent insurance act has been committed under Florida's No-Fault Insurance Law, we will notify the claimant, in writing, within 30 days after submission of the claim that we are investigating the claim for suspected fraud. At the end of the initial 30-day period we will have an additional 60 days to conduct our fraud investigation. Within 90 days of submission of the claim we will either deny the claim based upon our finding of fraudulent activity or pay the claim with simple interest from the date the claim was submitted until the date the claim is paid. If we deny the claim based upon a finding of fraudulent activity we will report such information to the Florida Division of Insurance Fraud.

#### **F. Additional Conditions**

The following Conditions are added:

##### **1. Mediation**

- a. In any claim filed by a "Covered Party" with us for:
  1. "Bodily Injury" in an amount of \$10,000 or less, arising out of the ownership, operation, use or maintenance of a covered "auto";
  2. "Property Damage" in any amount, arising out of the ownership, operation, maintenance or use of a covered "auto" or;
  3. "Loss" to a covered "auto" or its equipment, in any amount, either party may make a written demand for mediation of the claim prior to the institution of litigation.
- b. A written request for mediation must be filed with the Florida Department of Insurance on an approved form, which may be obtained from the Florida Department of Insurance.
- c. The request must state:
  1. Why the mediation is being requested.
  2. The issues in dispute, which are to be mediated.
- d. The Florida Department of Insurance will randomly select mediators. Each party may reject one mediator, either before or after the opposing side has rejected a mediator. The mediator will notify the parties of the date, time and place of the mediation conference. The mediation conference will be held within 45 days of the request for mediation. The conference will be held by telephone if feasible. Participants in the mediation conference must have the authority to make a binding decision, and must mediate in good faith. Each party will bear the expenses of the mediation equally, unless the mediator determines that one party has not mediated in good faith.
- e. Only one mediation may be requested for each claim unless all parties agree to a further mediation. A party demanding mediation shall not be entitled to demand or request mediation after a suit is filed relating to the same facts already mediated.
- f. The mediation shall be conducted as an informal process and formal rules of evidence and procedures need not be observed.

##### **2. Modification Of Agreement Coverages**

Any Automobile Medical Payments Coverage and any Uninsured Motorist Coverage afforded by the agreement shall be excess over any personal injury protection benefits paid or payable. Regardless of whether the full amount of personal injury protection benefits has been exhausted, any Medical Payments Coverage afforded by the agreement shall pay the portion of any claim for personal injury protection medical expenses which are otherwise covered but not payable due to the limitation of 80% of medical expense benefits, but shall not be payable for the amount of the deductible selected.

##### **3. Proof Of Claim; Medical Reports and Examination: Payment of Claim Withheld**

As soon as practicable, the person making claim shall give to us written proof of claim, under oath if required, which may include full particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist us in determining the amount due and payable. Such person shall submit to mental and physical examinations at our expense when and as often as we may reasonably require and a copy of the medical report shall be forwarded to such person if requested. Whenever a person making a claim is charged with committing a felony, we shall withhold benefits until, at the trial level, the prosecution makes a formal entry on the record that it will not prosecute the case against the person, the charge is dismissed or the person is acquitted.

**4. Provisional Premium**

In the event of any change in the rules, rates, rating plant, premiums or minimum premiums applicable to the coverage afforded, because of an adverse judicial finding as to the constitutionality of any provisions of the Florida Motor Vehicle No-Fault Law providing for the exemption of persons from tort liability, the premium stated in the Declarations for any Liability, medical Payments and Uninsured Motorists coverage shall be deemed provisional and subject to recomputation. If this agreement is a renewal agreement, such recomputation shall also include a determination of the amount of any return premium previously credited or refunded to the "Named Covered Party" pursuant to Sections 627.730 through 627.7415 (1988) of the Florida Motor Vehicle No-Fault Law with respect to insurance afforded under a previous agreement. If the recomputed premium exceeds the premium shown in the Declarations, the "Named Covered Party" shall pay to us the excess as well as the amount of any return premium previously credited or refunded.

**5. Special Provisions for Rented or Leased Vehicles**

Notwithstanding any provision of this coverage to the contrary, if a person is injured while "occupying" or through being struck by, a "motor vehicle" rented or leased under a rental or lease agreement, the personal injury protection afforded under the lessor's policy shall be primary, unless the face of the agreement contains, in at least 10-point type, the following language:  
The valid and collectible personal injury protection insurance of any authorized rental or leasing driver is primary for the limits of personal injury protection coverage required by Section 627.736, Florida Statutes.

**6. Agreement Period; Territory**

The coverage under this Section applies only to "accidents" which occur during the agreement period:

- a. In the state of Florida;
- b. As with respect to the "Named Covered Party" or any "family member", while "occupying" the covered "motor vehicle" outside the state of Florida but within the United States of America, its territories or possessions or Canada; and
- c. As with respect to the "Named Covered Party", while "occupying" a "motor vehicle" of which a "family member" is the "owner" and for which security is maintained under the Florida Motor Vehicle No-Fault Law outside the state of Florida but within the United States of America, its territories or possessions or Canada.

**G. Additional Definitions**

As used in this endorsement:

1. "Motor Vehicle" means any self-propelled vehicle with four or more wheels which is of a type both designed and required to be licensed for use on the highways of Florida and any trailer or semitrailer designed for use with such vehicle;  
However, "motor vehicle" does not include:
  - a. A mobile home;
  - b. Any "motor vehicle" which is used in mass transit, other than public school transportation, and designed to transport more than five passengers exclusive of the operator of the motor vehicle and which is owned by a municipality, a transit authority, or a political subdivision of the state.
2. "Family member" means a person related to the "Named Covered Party" by blood, marriage or adoption including a ward or foster child who is resident of the same household as the "Named Covered Party".

3. "Named Covered Party" means the person or organization named in the Declarations of the agreement and, if an individual, shall include the spouse if a resident of the same household.
4. "Occupying" means in or upon or entering into or alighting from.
5. "Owner" means a person or organization who holds the legal title to a "motor vehicle", and also includes:
  - a. A debtor having the right to possession, in the event a "motor vehicle" is the subject of a lease with option to purchase and such lease agreement is for a period of six months or more; and
  - b. A lessee having the right to possession, in the event a "motor vehicle" is the subject of a lease with option to purchase and such lease agreement is for a period of six months or more; and
  - c. A lessee having the right to possession, in the event a "motor vehicle" is the subject of a lease without option to purchase, and such lease is for a period of six months or more, and the lease agreement provides that the lessee shall be responsible for securing coverage.
6. "Pedestrian" means a person while not an occupant of any self-propelled vehicle.
7. "Emergency Medical Condition" means a medical condition manifesting itself by acute symptoms of sufficient severity, which may include severe pain, such that the absence of immediate medical attention could reasonably be expected to result in any of the following:
  - a. Serious jeopardy to patient health;
  - b. Serious impairment to bodily functions; or
  - c. Serious dysfunction of any bodily organ or part.
8. "Medically Necessary" refers to medical service or supply that a prudent physician would provide for the purpose of preventing, diagnosing or treating an illness, injury, disease, or symptom in a manner that is:
  - a. In accordance with generally accepted standards of medical practice;
  - b. Clinically appropriate in terms of type, frequency, extent, site and duration; and
  - c. Not primarily for the convenience of the patient, physician, or other health care provider.



## PUBLIC ENTITY

### POLLUTION LIABILITY – BROADENED COVERAGE FOR COVERED AUTOS

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

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300:**

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

**A. Section II – Liability Coverage is changed as follows:**

1. Paragraph **a.** of the Pollution Exclusion (**B.11.**) applies only to liability assumed under a contract or agreement.
2. Exclusion **B.6.** Care, Custody or Control does not apply.

**B. Changes in Section VI – Definitions**

For the purposes of this endorsement, Paragraph **D.** of the Definitions Section is replaced by the following:

**D. "Covered pollution cost or expense" means any cost or expense arising out of:**

1. Any request, demand, order or statutory or regulatory requirement; or
2. Any claim or "suit" by or on behalf of a governmental authority demanding that the "covered party" 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."

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "covered party" for movement into or onto the covered "auto"; or
- b. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "covered party."

Paragraphs **a.** and **b.** above do not apply to "accidents" that occur away from premises owned by or rented to a "covered party" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto" not designed or used for storing or hauling fuel or oil; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.



## PUBLIC ENTITY

### MUTUAL AID ENDORSEMENT

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

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300**:

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

#### **A. Coverage**

1. We will pay all sums you legally must pay for "loss" to an "auto," including its equipment, owned by any municipality, fire district, ambulance district, fire department or fire company which provides you police, ambulance services or fire assistance.
2. We have the right and duty to defend any "suit" asking for these damages. However, we have no duty to defend "suits" for "loss" not covered by this coverage form. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when our limit for this coverage has been exhausted by payment of judgments or settlements.

#### **B. Exclusions**

This coverage does not apply to:

1. Any expense incurred in or material used in connection with the operation of the "auto" or its equipment.
2. "Loss" caused by declared or undeclared war or insurrection or any of their consequences.
3. "Loss" caused by the explosion of a nuclear weapon or its consequences.

#### **C. Limit of Coverage**

The most we will pay for all "loss" from any one "accident" is the limit of coverage stated in the Declarations. Our obligation under "bodily injury" and "property damage" is to pay damages on your behalf in excess of any deductible or self insured retention stated in the declarations applicable to such coverages.

#### **D. Conditions**

All the Conditions apply to the coverage provided by this endorsement except Other Insurance. The coverage provided by this endorsement is primary.



## PUBLIC ENTITY

### AUTOMOBILE SYMBOL DEFINITION ENDORSEMENT

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

#### **THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY**

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300:**

The following is added to SECTION I, A., Description of Covered Auto Designation Symbols:

#### **Symbol 10 is defined as follows:**

APD:

AL:



## PUBLIC ENTITY

### GARAGE COVERAGE PART DECLARATIONS

#### ITEM ONE

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

#### ITEM TWO

#### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

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

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the Covered Auto Section of the Public Entity Garage Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS			PREMIUM
LIABILITY NOTE: Limits stated do not waive provisions set forth in Florida Statute 768.28	Not Available	Each "Accident" "Garage Operations"		Aggregate "Garage Operations"	Not Included
		"Auto" Only	Other than "Auto" Only	Other than "Auto" Only	
		N/A	N/A	N/A	
		Deductible			
PERSONAL INJURY PROTECTION (or equivalent No-fault Coverage)	Not Available	SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS DED.			Not Included
AUTO MEDICAL PAYMENTS	Not Available	N/A			Not Included
UNINSURED MOTORISTS	Not Available	N/A			Not Included
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)	Not Available	N/A			Not Included
GARAGEKEEPERS COMPREHENSIVE COVERAGE	30	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$250 DED. FOR EACH COVERED AUTO PER ATTACHED SCHEDULE, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.			Included
GARAGEKEEPERS SPECIFIED CAUSES OF LOSS COVERAGE	N/A	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$_____ DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.			Not Included
GARAGEKEEPERS COLLISION COVERAGE	30	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$250 FOR EACH COVERED AUTO PER ATTACHED SCHEDULE.			Included
		PREMIUM			INCLUDED

#### FORMS AND ENDORSEMENTS

Forms and endorsements applying to this Coverage Part and made part of the coverage agreement at this time of issue:

See PGIT MN-002

Premium: \$ **INCLUDED**

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



**PUBLIC ENTITY**  
**GARAGEKEEPERS COVERAGE**

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19      ENDORSEMENT EFFECTIVE: 10/01/2019

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

This endorsement modifies coverage provided under the **GARAGE COVERAGE FORM, PGIT MN-361:**

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

This endorsement changes the agreement effective on the inception date of the agreement unless another date is indicated above.

**SCHEDULE OF LOCATIONS WHERE YOU CONDUCT "GARAGE OPERATIONS"**  
State Your Main Business Location As Location No. 1.

001	Vehicle Storage Lot 1234 Anywhere Ave, Lake Mary, FL, 32746
	<b>Comprehensive</b> ACTUAL CASH VALUE OR COST TO REPAIR, WHICHEVER IS LESS, SUBJECT TO \$50,000.00 PER EVENT, MINUS \$0.00 DEDUCTIBLE FOR EACH "CUSTOMER'S AUTO" FOR "LOSS" CAUSED BY THEFT OR MISCHIEF OR VANDALISM; or <b>Collision</b> ACTUAL CASH VALUE OR COST TO REPAIR, WHICHEVER IS LESS, SUBJECT TO \$50,000.00 PER EVENT MINUS \$0.00 DEDUCTIBLE FOR EACH "CUSTOMER'S AUTO".

<b>Premium For All Locations</b>	
Comprehensive	\$ Included
Specified Causes of Loss	\$ N/A
Collision	\$ Included

#### **DIRECT COVERAGE OPTIONS**

Indicate below with an "X" which, if any, Direct Coverage Option is selected.

#### **EXCESS COVERAGE**

If this box is checked, Garagekeepers Coverage remains applicable on a legal liability basis. However, coverage also applies without regard to your or any other "covered party's" legal liability for "loss" to a "customer's auto" on an excess basis over any other collectible insurance regardless of whether the other insurance covers your or any other "covered party's" interest or the interest of the "customer's auto's" owner.

#### X   **PRIMARY COVERAGE**

If this box is checked, Garagekeepers Coverage is changed to apply without regard to your or any other "covered party's" legal liability for "loss" to a "customer's auto" and is primary coverage.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

#### **A. This endorsement provides only those coverages:**

1. Where a Limit of Insurance and a premium are shown for that coverage in the Schedule; and
2. For the location shown in the Schedule.

#### **B. Coverage**

1. We will pay all sums the "covered party" legally must pay as damages for "loss" to a "customer's auto" or "customer's auto" equipment left in the "covered party's" care while the "covered party" is attending, servicing, repairing, parking or storing it in your "garage operations" under:

##### **a. Comprehensive Coverage**

From any cause except:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

##### **b. Specified Causes of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft; or
- (3) Mischief or vandalism.

##### **c. Collision Coverage**

Caused by:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

2. We will have the right and duty to defend any "covered party" against a "suit" asking for these damages.

However, we have no duty to defend any "covered party" against a "suit" seeking damages for "loss" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

#### **3. Who Is A Covered Party**

The following are "covered parties" for "loss" to "customer's autos" and "customer's auto" equipment:

- a. You.

- b. Your partners (if you are a partnership), or members (if you are a limited liability company), "employees," directors or shareholders while acting within the scope of their duties as such.

#### 4. Coverage Extensions

The following applies as Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "covered party":

- a. All expenses we incur.
- b. The costs of bonds to release attachments in any "suit" against a "covered party" we defend, but only for bond amounts within our Limit of Insurance.
- c. All reasonable expenses incurred by the "covered party" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the "covered party" in any "suit" against a "covered party" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against a "covered party" we defend; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

#### C. Exclusions

1. This insurance does not apply to any of the following:
  - a. Contractual Obligations  
Liability resulting from any agreement by which the "covered party" accepts responsibility for "loss."
  - b. Theft  
"Loss" due to theft or conversion caused in any way by you, your "employees" or by your shareholders.
  - c. Defective Parts  
Defective parts or materials.
  - d. Faulty Work  
Faulty "work you performed."
2. We will not pay for "loss" to any of the following:
  - a. Tape decks or other sound reproducing equipment unless permanently installed in a "customer's auto."
  - b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
  - c. Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "customer's auto" manufacturer for the installation of a radio.
  - d. Any device designed or used to detect speed measurement equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.

#### D. Limit Of Insurance And Deductible

1. Regardless of the number of "customer's autos," "covered parties," premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit of Insurance shown in the Schedule for that location minus the applicable deductibles for "loss" caused by collision; and
  - a. Theft or mischief or vandalism; or
  - b. All perils.
2. The maximum deductible stated in the Schedule for Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all "loss" in any one event caused by:
  - a. Theft or mischief or vandalism; or

- b. All perils.
- 3. Sometimes to settle a claim or "suit," we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

#### **E. Additional Definitions**

As used in this endorsement:

- 1. "Customer's auto" means a customer's land motor vehicle or trailer or semitrailer. This definition also includes any customer's auto while left with you for service, repair, storage or safekeeping. Customers include your "employees," and members of their households who pay for services performed.
- 2. "Loss" means direct and accidental loss or damage and includes any resulting loss of use.
- 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 autos" 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. "Work you performed" includes:
  - a. Work that someone performed on your behalf; and
  - b. The providing of or failure to provide warnings or instructions.



## PUBLIC ENTITY GARAGE COVERAGE FORM

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

Throughout this Coverage Agreement the words "you" and "your" refer to the Named Covered Party shown in the Declarations. The words "we," "us" and "our" refer to the Trust providing this coverage.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI - DEFINITIONS.

### **SECTION I - COVERED AUTOS**

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos." The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos."

#### **A. Description of Covered Auto Designation Symbols**

##### **SYMBOL DESCRIPTION**

- 21 = ANY "AUTO."
- 22 = OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the coverage agreement begins.
- 23 = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the coverage agreement begins.
- 24 = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the coverage agreement begins.
- 25 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
- 26 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are subject to the same state uninsured motorists requirement.
- 28 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees," partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

- 29 = NONOWNED "AUTOS" USED IN YOUR GARAGE BY BUSINESS. Any "auto" you do not own, lease, hire, rent or borrow used in connection with your garage business described in the Declarations. This includes "autos" owned by your "employees," partners (if you are a partnership), members (if you are a limited liability company) or members of their households while used in your garage business
- 30 = "AUTOS" LEFT WITH YOU FOR SERVICE, REPAIR, STORAGE OR SAFEKEEPING. Any customer's land motor vehicle or trailer or semitrailer while left with you for service, repair, storage or safekeeping. Customers include your "employees," and members of their households, who pay for the services performed.
- 31 = DEALERS "AUTOS" AND "AUTOS" HELD FOR SALE BY NON-DEALERS OR TRAILER DEALERS (PHYSICAL DAMAGE COVERAGES). Any "autos" and the interests in these "autos" described in Item Seven of the Dealers' Supplementary Schedule or Item Nine of the Non-Dealers' and Trailer Dealers' Supplementary Schedule.

**B. Owned Autos You Acquire After The Coverage Agreement Begins**

1. If Symbols 21, 22, 23, 24, 25, or 26 are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the Coverage Agreement period.

**C. Certain Trailers And Temporary Substitute Autos**

If Liability coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

**SECTION II - LIABILITY COVERAGE**

**A. Coverage**

**1. "Garage Operations" - Other Than Covered "Autos"**

- a. We will pay all sums a "Covered Party" legally must pay as damages because of "bodily injury" or "property damage" to which this coverage applies caused by an "accident" and resulting from "garage operations" other than the ownership, maintenance or use of covered "autos." We have the right and duty to defend any "Covered Party" against a "suit" asking for these damages. However, we have no duty to defend any "Covered Party" against a "suit" seeking damages for "bodily injury" or "property damage" to which this coverage does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the applicable Liability Coverage Limit of Coverage - "Garage Operations" - Other Than Covered "Autos" has been exhausted by payment of judgments or settlements.
- b. This coverage applies to "bodily injury" and "property damage" only if:
  - (1) The "accident" occurs in the coverage territory;

- (2) The "bodily injury" or "property damage" occurs during the Coverage Agreement period; and
- (3) Prior to the Coverage Agreement period, no "Covered Party" listed under Who Is A Covered Party and no "employee" authorized by you to give or receive notice of an "accident" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed "Covered Party" or authorized "employee" knew, prior to the Coverage Agreement period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the Coverage Agreement period will be deemed to have been known prior to the Coverage Agreement period.
- c. "Bodily injury" or "property damage" which occurs during the Coverage Agreement period and was not, prior to the Coverage Agreement period, known to have occurred by any "Covered Party" listed under Who Is A Covered Party or any "employee" authorized by you to give or receive notice of an "accident" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the Coverage Agreement period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any "covered party" listed under Who Is A Covered Party or any "employee" authorized by you to give or receive notice of an "accident" or claim:
  - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

## 2. "Garage Operations" - Covered "Autos"

We will pay all sums a "Covered Party" legally must pay as damages because of "bodily injury" or "property damage" to which this coverage applies, caused by an "accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos."

We will also pay all sums a "Covered Party" legally must pay as a "covered pollution cost or expense" to which this coverage applies, caused by an "accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos." However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this coverage applies that is caused by the same "accident."

We have the right and duty to defend any "Covered Party" against a "suit" asking for such damages or a "covered pollution cost or expense." However, we have no duty to defend any "Covered Party" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this coverage does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Coverage - "Garage Operations" - Covered "Autos" has been exhausted by payment of judgments or settlements.

## 3. Who Is A Covered Party

a. The following are "Covered Parties" for covered "autos":

- (1) You for any covered "auto."
- (2) Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (a) The owner or anyone else from whom you hire or borrow a covered "auto." This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
  - (b) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
  - (c) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is your "garage operations."
  - (d) Your customers, if your business is shown in the Declarations as an "auto" dealership. However, if a customer of yours:

(i) Has no other available coverage (whether primary, excess or contingent), they are a "Covered Party" but only up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

(ii) Has other available coverage (whether primary, excess or contingent) less than the compulsory or financial responsibility law limits where the covered "auto" is principally garaged, they are a "Covered Party" only for the amount by which the compulsory or financial responsibility law limits exceed the limit of their other coverage.

(e) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "auto" owned by him or her or a member of his or her household.

(3) Anyone liable for the conduct of a "Covered Party" described above but only to the extent of that liability.

b. The following are "Covered Parties" for "garage operations" other than covered "autos":

(1) You.

(2) Your partners (if you are a partnership), members (if you are a limited liability company), "employees," directors or shareholders but only while acting within the scope of their duties.

#### **4. Coverage Extensions**

##### **a. Supplementary Payments**

In addition to the Limit of Coverage, we will pay for the "Covered Party":

(1) All expenses we incur.

(2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" against the "Covered Party" we defend, but only for bond amounts within our Limit of Coverage.

(4) All reasonable expenses incurred by the "Covered Party" at our request, including actual loss of earnings up to \$250 a day because of time off from work.

(5) All costs taxed against the "Covered Party" in any "suit" against the "Covered Party" we defend.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "Covered Party" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Coverage.

##### **b. Out-Of-State Coverage Extensions**

While a covered "auto" is away from the state where it is licensed we will:

(1) Increase the Limit of Coverage for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

#### **B. Exclusions**

This coverage does not apply to any of the following:

##### **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "Covered Party." But for "garage operations" other than covered "autos" this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

## **2. Contractual**

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "Covered Party" would have in the absence of the contract or agreement.

## **3. Workers' Compensation**

Any obligation for which the "Covered Party" or the "Covered Party's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

## **4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the "Covered Party" arising out of and in the course of:
  - (1) Employment by the "Covered Party"; or
  - (2) Performing the duties related to the conduct of the "Covered Party's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.
- c. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- d. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above are directed.

This exclusion applies:

- (1) Whether the "Covered Party" 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.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "Covered Party" under an "insured contract." For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

## **5. Fellow Employee**

"Bodily injury" to any fellow "employee" of the "Covered Party" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

## **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving:

- a. Property owned, rented or occupied by the "Covered Party";
- b. Property loaned to the "Covered Party";
- c. Property held for sale or being transported by the "Covered Party"; or
- d. Property in the "Covered Party's" care, custody or control.

But this exclusion does not apply to liability assumed under a sidetrack agreement.

## **7. Leased Autos**

Any covered "auto" while leased or rented to others. But this exclusion does not apply to a covered "auto" you rent to one of your customers while their "auto" is left with you for service or repair.

## **8. Pollution Exclusion Applicable To "Garage Operations" - Other Than Covered "Autos"**

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

Paragraphs a. (1) and a. (3) (b) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. A hostile fire means one that becomes uncontrollable, or breaks out from where it was intended to be.

Paragraph a. (1) does not apply to "bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building.

Paragraph a. (3) (b) does not apply to "bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from material brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor.

- b. Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any "Covered Party" 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";
- (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."

However, this paragraph does not apply to liability for damages because of "property damage" that the "Covered Party" would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

## **9. Pollution Exclusion Applicable To "Garage Operations" - Covered "Autos"**

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

- a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "Covered Party"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "Covered Party" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "Covered Party."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants."

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to a "Covered Party" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

#### **10. Racing**

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This coverage also does not apply while that covered "auto" is being prepared for such a contest or activity.

#### **11. Watercraft Or Aircraft**

Any watercraft or aircraft except watercraft while ashore on premises where you conduct "garage operations."

#### **12. Defective Products**

"Property damage" to any of your "products," if caused by a defect existing in your "products" or any part of your "products," at the time it was transferred to another.

#### **13. Work You Performed**

"Property damage" to "work you performed" if the "property damage" results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

#### **14. Loss Of Use**

Loss of use of other property not physically damaged if caused by:

- a. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- b. A defect, deficiency, inadequacy or dangerous condition in your "products" or "work you performed."

But this exclusion, 14.b., does not apply if the loss of use was caused by sudden and accidental damage to or destruction of your "products" or "work you performed" after they have been put to their intended use.

#### **15. Products Recall**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **16. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

## 17. Liquor Liability

"Bodily injury" or "property damage" for which a "Covered Party" may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you use the premises in part for the following purposes:

- (1) Serving or furnishing alcoholic beverages for a charge whether or not such activity:
  - (a) Requires a license; or
  - (b) Is for the purpose of financial gain or livelihood; or
- (2) Serving or furnishing alcoholic beverages without a charge, if a license is required for such activity.

## C. Limit Of Coverage

### 1. Aggregate Limit Of Coverage - "Garage Operations" - Other Than Covered "Autos"

For "garage operations" other than the ownership, maintenance or use of covered "autos," the following applies:

Regardless of the number of "Covered Parties," claims made or "suits" brought or persons or organizations making claims or bringing "suits," the most we will pay for the sum of all damages involving "garage operations" other than "auto" is the Aggregate Limit of Coverage - "Garage Operations" - Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

Damages payable under the Aggregate Limit of Coverage - "Garage Operations" - Other Than Covered "Autos" consist of damages resulting from "garage operations," other than the ownership, maintenance or use of the "autos" indicated in Section I of this Coverage Form as covered "autos," including the following coverages, if provided by endorsement:

- a. "Personal injury" liability coverage;
- b. "Personal and advertising injury" liability coverage;
- c. Host liquor liability coverage;
- d. Fire legal liability coverage;
- e. Incidental medical malpractice liability coverage;
- f. Non-owned watercraft coverage;
- g. Broad form products coverage.

Damages payable under the Each "Accident" Limit of Coverage - "Garage Operations" - Other Than Covered "Autos" are not payable under the Each "Accident" Limit of Coverage - "Garage Operations" - Covered "Autos."

Subject to the above, the most we will pay for all damages resulting from all "bodily injury" and "property damage" resulting from any one "accident" is the Each "Accident" Limit of Coverage - "Garage Operations" - Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident."

The Aggregate Limit of Coverage - "Garage Operations" Other Than Covered "Autos" applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Coverage Agreement period shown in the Declarations, unless the Coverage Agreement period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit of Coverage - "Garage Operations" - Other Than Covered "Autos."

## **2. Limit Of Coverage - "Garage Operations" - Covered "Autos"**

For "accidents" resulting from "garage operations" involving the ownership, maintenance or use of covered "autos," the following applies:

Regardless of the number of covered "autos," "Covered Parties," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" involving a covered "auto" is the Each "Accident" Limit of Coverage - "Garage Operations" - Covered "Autos" for Liability Coverage shown in the Declarations.

Damages and "covered pollution cost or expense" payable under the Each "Accident" Limit of Coverage - "Garage Operations" - Covered "Autos" are not payable under the Each "Accident" Limit of Coverage - "Garage Operations" - Other Than Covered "Autos."

All "bodily injury," "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident."

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

## **3. Damages will not include:**

- a. taxes, fines, penalties, or sanctions;
- b. punitive or exemplary damages or the multiple portion of any multiplied damages award;
- c. matters uninsurable under the laws pursuant to which this **Coverage Agreement** is construed; or
- d. the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief.

## **D. Deductible**

We will deduct \$100 from the damages in any "accident" resulting from "property damage" to an "auto" as a result of "work you performed" on that "auto."

## **SECTION III - GARAGEKEEPERS COVERAGE**

### **A. Coverage**

1. We will pay all sums the "Covered Party" legally must pay as damages for "loss" to a "customer's auto" or "customer's auto" equipment left in the "Covered Party's" care while the "Covered Party" is attending, servicing, repairing, parking or storing it in your "garage operations" under:

#### **a. Comprehensive Coverage**

From any cause except:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

#### **b. Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft; or
- (3) Mischief or vandalism.

#### **c. Collision Coverage**

Caused by:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

2. We have the right and duty to defend any "Covered Party" against a "suit" asking for these damages. However, we have no duty to defend any "Covered Party" against a "suit" seeking damages for any loss to which this coverage does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Coverage for that coverage has been exhausted by payment of judgments or settlements.

### 3. Who Is A Covered Party

The following are "Covered Parties" for "loss" to "customer's autos" and "customer's auto" equipment:

- a. You.
- b. Your partners (if you are a partnership), members (if you are a limited liability company), "employees," directors or shareholders while acting within the scope of their duties as such.

### 4. Coverage Extensions

The following applies as Supplementary Payments. In addition to the Limit of Coverage, we will pay for the "Covered Party":

- a. All expenses we incur.
- b. The cost of bonds to release attachments in any "suit" against the "Covered Party" we defend, but only for bond amounts within our Limit of Coverage.
- c. All reasonable expenses incurred by the "Covered Party" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the "Covered Party" in any "suit" against the "Covered Party" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "Covered Party" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Coverage.

## B. Exclusions

1. This coverage does not apply to any of the following:

**a. Contractual Obligations**

Liability resulting from any agreement by which the "Covered Party" accepts responsibility for "loss."

**b. Theft**

"Loss" due to theft or conversion caused in any way by you, your "employees" or by your shareholders.

**c. Defective Parts**

Defective parts or materials.

**d. Faulty Work**

Faulty "work you performed."

2. We will not pay for "loss" to any of the following:

- a. Tape decks or other sound reproducing equipment unless permanently installed in a "customer's auto."
- b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
- c. Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "customer's auto" manufacturer for the installation of a radio.
- d. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.

### **C. Limit Of Coverage And Deductible**

1. Regardless of the number of "customer's autos," "Covered Parties," premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit of Coverage shown in the Declarations for that location minus the applicable deductibles for "loss" caused by collision; and
  - a. Theft or mischief or vandalism; or
  - b. All perils.
2. The maximum deductible stated in the Declarations for Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all "loss" in any one event caused by:
  - a. Theft or mischief or vandalism; or
  - b. All perils.
3. Sometimes to settle a claim or "suit," we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

## **SECTION IV - PHYSICAL DAMAGE COVERAGE**

### **A. Coverage**

1. We will pay for "loss" to a covered "auto" or its equipment under:

#### **a. Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

#### **b. Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto."

#### **c. Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

### **2. Towing - Non-Dealers Only**

If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

### **3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto," we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;

- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

#### **4. Coverage Extension**

##### **a. Transportation Expenses**

If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the Coverage Agreement's expiration, when the covered "auto" is returned to use or we pay for its "loss."

##### **b. Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which a "Covered Party" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto."

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

#### **B. Exclusions**

- 1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

##### **a. Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

##### **b. War Or Military Action**

- (1) War, including undeclared or civil war;
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

- 2. We will not pay for "loss" to any of the following:

- a. Any covered "auto" leased or rented to others unless rented to one of your customers while their "auto" is left with you for service or repair.
- b. Any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such contest or activity.
- c. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- d. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
- e. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
- f. Any accessories used with the electronic equipment described in Paragraph e. above.

Exclusions 2.e. and 2.f. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss," and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Any other electronic equipment that is:
  - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
  - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

### 3. False Pretense

We will not pay for "loss" to a covered "auto" caused by or resulting from:

- a. Someone causing you to voluntarily part with it by trick or scheme or under false pretenses; or
- b. Your acquiring an "auto" from a seller who did not have legal title.

### 4. If your business is shown in the Declarations as an "auto" dealership, we will not pay for:

- a. Your expected profit, including loss of market value or resale value.
- b. "Loss" to any covered "auto" displayed or stored at any location not shown in Item Three of the Declarations if the "loss" occurs more than 45 days after your use of the location begins.
- c. Under the Collision Coverage, "loss" to any covered "auto" while being driven or transported from the point of purchase or distribution to its destination if such points are more than 50 road miles apart.
- d. Under the Specified Causes of Loss Coverage, "loss" to any covered "auto" caused by or resulting from the collision or upset of any vehicle transporting it.

### 5. We will not pay for "loss" to a covered "auto" due to "diminution in value."

### 6. Other Exclusions

We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this Coverage Agreement:

- a. Wear and tear, freezing, mechanical or electrical breakdown;
- b. Blowouts, punctures or other road damage to tires.

## C. Limits Of Coverage

- 1. The most we will pay for "loss" to any one covered "auto" is the lesser of:
  - a. The actual cash value of the damaged or stolen property as of the time of "loss"; or
  - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss."

3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
4. For those businesses shown in the Declarations as "auto" dealerships, the following provisions also apply:
  - a. Regardless of the number of covered "autos" involved in the "loss," the most we will pay for all "loss" at any one location is the amount shown in the Auto Dealers Supplementary Schedule for that location. Regardless of the number of covered "autos" involved in the "loss," the most we will pay for all "loss" in transit is the amount shown in the Auto Dealers Supplementary Schedule for "loss" in transit.
  - b. **Quarterly Or Monthly Reporting Premium Basis**

If, on the date of your last report, the actual value of the covered "autos" at the "loss" location exceeds what you last reported, when a "loss" occurs we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing your total reported value for the involved location by the value you actually had on the date of your last report.

If the first report due is delinquent on the date of "loss," the most we will pay will not exceed 75 percent of the Limit of Coverage shown in the Auto Dealers Supplementary Schedule for the applicable location.
  - c. **Non-Reporting Premium Basis**

If, when "loss" occurs, the total value of your covered "autos" exceeds the Limit of Coverage shown in the Declarations, we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing the limit by the total values you actually had when "loss" occurred.

#### **D. Deductible**

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations provided that:

##### **1. "Auto" Dealers Only Special Deductible Provisions**

If your business is shown in the Declarations as an "auto" dealership:

- a. The Comprehensive or Specified Causes of Loss Coverage deductible applies only to "loss" caused by:
  - (1) Theft or mischief or vandalism; or
  - (2) All perils.
- b. Regardless of the number of covered "autos" damaged or stolen, the per "loss" deductible for Comprehensive or Specified Causes of Loss Coverage shown in the Declarations is the maximum deductible applicable for all "loss" in any one event caused by:
  - (1) Theft or mischief or vandalism; or
  - (2) All perils.

##### **2. Non-Dealers Only Special Deductible Provisions**

If your business is shown in the Declarations as something other than an "auto" dealership, the Comprehensive Coverage deductible does not apply to "loss" caused by fire or lightning.

#### **SECTION V - GARAGE CONDITIONS**

The following conditions apply in addition to the Common Coverage Agreement Conditions:

##### **A. Loss Conditions**

###### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss," either may demand an appraisal of the "loss." In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire.

The appraisers will state separately the actual cash value and amount of "loss." If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

## **2. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this Coverage Agreement unless there has been full compliance with the following duties:

- a. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt notice of the accident or "loss." Include:
  - (1) How, when and where the "accident" or "loss" occurred;
  - (2) The "Covered Party's" name and address; and
  - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "Covered Party" must:
  - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "Covered Party's" own cost.
  - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit."
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit."
  - (4) Authorize us to obtain medical records or other pertinent information.
  - (5) Submit to examination at our expense, by physicians of our choice, as often as we reasonably require.
- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:
  - (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
  - (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
  - (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
  - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

## **3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "Covered Party" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this Coverage Agreement to bring us into an action to determine the "Covered Party's" liability.

## **4. Loss Payment - Physical Damage Coverages**

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss," our payment will include the applicable sales tax for the damaged or stolen property.

## **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form 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 "accident" or "loss" to impair them.

## **B. General Conditions**

### **1. Bankruptcy**

Bankruptcy or insolvency of the "Covered Party" or the "Covered Party's" estate will not relieve us of any obligations under this Coverage Form.

### **2. Concealment, Misrepresentation Or Fraud**

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "Covered Party," at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

### **3. Liberalization**

If we revise this Coverage Form to provide more coverage without additional premium charge, your Coverage Agreement will automatically provide the additional coverage as of the day the revision is effective in your state.

### **4. No Benefit To Bailee - Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

### **5. Premium Audit**

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this Coverage Agreement began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Covered Party will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Covered Party will get a refund.
- b. If this Coverage Agreement is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the Coverage Agreement.

### **6. Coverage Agreement Period, Coverage Territory**

Under this Coverage Form, we cover:

- a. "Bodily injury," "property damage" and "losses" occurring; and
- b. "Covered pollution cost or expense" arising out of "accidents" occurring during the Coverage Agreement period shown in the Declarations and within the coverage territory.

The coverage territory is:

- c. The United States of America;
- d. The territories and possessions of the United States of America;
- e. Puerto Rico;
- f. Canada; and

g. Anywhere in the world if:

- (1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
- (2) The "Covered Party's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "bodily injury," "property damage," "covered pollution cost or expense" and "losses" while a covered "auto" is being transported between any of these places.

The coverage territory is extended to anywhere in the world if the "bodily injury" or "property damage" is caused by one of your "products" which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada. The original "suit" for damages resulting from such "bodily injury" or "property damage" must be brought in one of these places.

#### **7. Two Or More Coverage Forms Or Policies Issued By Us**

If this Coverage Form and any other Coverage Form or Coverage Agreement issued to you by us or any company affiliated with us apply to the same "accident," the aggregate maximum Limit of Coverage under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Coverage under any one Coverage Form or Coverage Agreement. This condition does not apply to any Coverage Form or Coverage Agreement issued by us or an affiliated company specifically to apply as excess coverage over this Coverage Form.

#### **SECTION VI - DEFINITIONS**

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage."
- B. "Auto" means a land motor vehicle, "trailer" or semitrailer.
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:
  1. Any request, demand, order or statutory or regulatory requirement; or
  2. Any claim or "suit" by or on behalf of a governmental authority demanding

that the "Covered Party" 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."

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "Covered Party";
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "Covered Party" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "Covered Party."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants."

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to a "Covered Party" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
  - (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.
- E. "Customer's auto" means a customer's land motor vehicle, "trailer" or semitrailer. It also includes any "customer's auto" while left with you for service, repair, storage or safekeeping. Customers include your "employees," and members of their households who pay for services performed.
- F. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss."
- G. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."
- H. "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. "Garage operations" includes the ownership, maintenance or use of the "autos" indicated in Section I of this Coverage Form as covered "autos." "Garage operations" also include all operations necessary or incidental to a garage business.
- I. "Covered Party" means any person or organization qualifying as a covered party in the Who Is A Covered Party provision of the applicable coverage. Except with respect to the Limit of Coverage, the coverage afforded applies separately to each covered party who is seeking coverage or against whom a claim or "suit" is brought.
- J. "Insured contract" means:
1. A lease of premises;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  5. That part of any other contract or agreement pertaining to your garage business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
  6. An elevator maintenance agreement;
  7. That part of any contract or agreement entered into, as part of your garage business, pertaining to the rental or lease, by you or any of your "employees," of any "auto." However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay "property damage" to any "auto" rented or leased by you or any of your "employees."

An "insured contract" does not include that part of any contract or agreement:

1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

- b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
  - 2. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
  - 3. That pertains to the loan, lease or rental of an "auto," to you or any of your "employees" if the "auto" is loaned, leased or rented with a driver.
  - 4. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
  - 5. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing.
- K. "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."
- L. "Loss"** means direct and accidental loss or damage. But for Garagekeepers Coverage only, "loss" also includes any resulting loss of use.
- M. "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.
- N. "Products" includes:**
- 1. The goods or products you made or sold in a garage business; and
  - 2. The providing of or failure to provide warnings or instructions.
- O. "Property damage"** means damage to or loss of use of tangible property.
- P. "Suit" means a civil proceeding in which:**
- 1. Damages because of "bodily injury" or "property damage"; or
  - 2. A "covered pollution cost or expense," to which this coverage applies, is claimed.
- "Suit" includes:
- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "covered party" must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the covered party submits with our consent.
- Q. "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.
- R. "Trailer"** includes semitrailer.
- S. "Work you performed" includes:**
- 1. Work that someone performed on your behalf; and
  - 2. The providing of or failure to provide warnings or instructions.



## PUBLIC ENTITY

### DEADLY WEAPON PROTECTION COVERAGE PART DECLARATIONS (CLAIMS MADE)

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

COVERAGE	LIMIT	DEDUCTIBLE
DEADLY WEAPON EVENT (Inclusive of Claims Expenses)	\$1,000,000 Per Event	\$0 Per Event
<b>SUBLIMITS</b> (These limits do not increase the event limit stated above)		
BUSINESS INTERRUPTION	INCLUDED	
DEMOLITION, CLEARANCE AND MEMORIALIZATION	\$250,000 Per Event	
EXTRA EXPENSE	\$250,000 Per Event	
CRISIS MANAGEMENT	INCLUDED	
PROPERTY DAMAGE EXTENSION	\$250,000 Per Event	
COUNSELING SERVICES	\$250,000 Per Event	
FUNERAL EXPENSES	\$250,000 Per Event	
CLAIMS EXPENSES	INCLUDED	

RETROACTIVE DATE: 10/01/2019

**THIRD PARTY LIABILITY COVERAGE AGREEMENT  
AND  
CRISIS MANAGEMENT SERVICES**

**THIS IS A CLAIMS-MADE AND REPORTED COVERAGE FORM**

**WHAT TO DO FOLLOWING A DEADLY WEAPON EVENT**

If a **Deadly Weapon Event** occurs or is believed to have occurred contact the **Event Responder** via the 24-hour **Crisis Management Response Team**  
Telephone Number: **860-677-3790 - CrisisRisk Strategies LLC**

In the unlikely event that there is no response on the 24 hour **Crisis Management Response Team** telephone number contact either of the following additional representatives as soon as possible:

Preferred Governmental Claim Services

800-237-6617

Email: [Liabilityclaims@pgcs-tpa.com](mailto:Liabilityclaims@pgcs-tpa.com)

## **COVERAGE NOTICE**

THIS THIRD PARTY LIABILITY **COVERAGE AGREEMENT** PROVIDES COVERAGE ON A **CLAIMS-MADE AND REPORTED** BASIS. THE COVERAGE PROVIDED BY THIS **COVERAGE AGREEMENT** IS LIMITED TO ONLY THOSE **CLAIMS** WHICH ARISE FROM A **DEADLY WEAPON EVENT** THAT OCCURS AFTER THE **RETROACTIVE DATE** STATED IN THE **DECLARATIONS** AND WHICH ARE FIRST MADE AGAINST THE **COVERED PARTY** AND REPORTED TO **PREFERRED** DURING THE **AGREEMENT PERIOD** AND IN NO EVENT LONGER THAN NINETY (90) DAYS AFTER THE EXPIRATION DATE IN ACCORDANCE WITH THE TERMS OF THIS **COVERAGE AGREEMENT**.

THIS **COVERAGE AGREEMENT** DOES NOT PROVIDE COVERAGE TO THE **ASSAILANT(S)** OF THE **DEADLY WEAPON EVENT**.

VARIOUS PROVISIONS IN THIS **COVERAGE AGREEMENT** RESTRICT COVERAGE. READ THE ENTIRE AGREEMENT CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

**NOTE:** FAILURE TO REPORT A **CLAIM** AS SOON AS REASONABLY PRACTICABLE COULD JEOPARDIZE YOUR COVERAGE.

## **IMPORTANT NOTICE**

If a word is in boldface, please read the definitions section.

This is a **Claims Made and Reported Coverage Agreement**.

**Claims Expenses** that are incurred in defending any **Claim** against the **Covered Party** will reduce, and may completely exhaust, the limit of liability available to pay **Damages**.

All coverage extension endorsements that provide sub-limits of liability are part of and not in addition to the Deadly Weapon Event Limit of Liability available as stated in PGIT MN-040.

## **SECTION I - COVERAGES**

### **A. Indemnity**

**Preferred** will pay on behalf of the **Covered Party**, up to the Deadly Weapon Event Limit of Liability stated in PGIT MN-040 inclusive of **Claims Expenses**, for any **Damages** and **Claims Expenses** which the **Covered Party** shall become legally liable to pay because of any **Claim** or **Claims** for **Bodily Injury**, first made against the **Covered Party** during the **Agreement Period** and reported to **Preferred** in writing no later than ninety (90) days after the expiration date of the **Agreement Period**, caused by a **Deadly Weapon Event** occurring at the **Locations** of the **Covered Party**. The Indemnity hereunder also includes, within the Deadly Weapon Event Limit of Liability stated in PGIT MN-040 inclusive of **Claims Expenses**, amount(s) payable to the **Covered Party**, or to others on the **Covered Party's** behalf, with respect to additional coverage provided by any Extension endorsed to this **Coverage Agreement**.

A **Deadly Weapon Event** which occurs at one **Location** or multiple **Locations** of the **Covered Party** within a period of 24 consecutive hours and which do have or appear to have a **Related Purpose** or are coordinated by one or more **Assailant(s)** will be deemed to be one **Deadly Weapon Event**.

### **B. Defense and Settlement of Claims**

1. **Preferred** shall have the right and duty to defend, subject to all the provisions, terms and conditions of this **Coverage Agreement**:

- a. any **Claim** against the **Covered Party** seeking **Damages** which are payable under the terms of this **Coverage Agreement**, even if any of the allegations of the **Claim** are groundless, false or fraudulent; or
- b. under Coverage A., any **Claim** in the form of a regulatory proceeding.

**Preferred** will have no duty to defend the **Covered Party** for any **Claim(s)** made against the **Covered Party** for **Damages**, **Claims Expenses** or other payment to which this **Coverage Agreement** does not apply. **Preferred's** right and duty to defend ends when the Deadly Weapon Event Limit of Liability available as stated in PGIT MN-040 has been exhausted.

Defense counsel shall be mutually agreed upon between **Preferred** and the **Covered Party**, but in the absence of such agreement, **Preferred's** decision shall be final.

2. With respect to any **Claim** against the **Covered Party** seeking **Damages** which are payable under the terms of this **Coverage Agreement**, **Preferred** will pay **Claims Expenses** incurred with their prior written consent. The Limit of Liability available to pay **Damages** shall be reduced and may be completely exhausted by payment of **Claims Expenses**.
3. If the **Covered Party** shall refuse to consent to any settlement or compromise recommended by **Preferred** and acceptable to the claimant and elects to contest the **Claim**, **Preferred's** liability for any **Damages**, penalties and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled, plus the **Claims Expenses** incurred up to the time of such refusal or the applicable Limit of Liability, whichever is less, and **Preferred** shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Covered Party**. The portion of any proposed settlement or compromise that requires the **Covered Party** to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not **Damages** shall not be considered in determining the amount for which a **Claim** could have been settled.

## **SECTION II - DEFINITIONS**

For the purpose of this **Coverage Agreement**:

- A. **Agreement Period** means the period of time between the inception date and the effective date of termination, expiration or cancellation of this **Coverage Agreement** as stated in the **Declarations**.
- B. **Aggregate** means the total limit of indemnity for the period of the **Coverage Agreement**. The **Aggregate** amount shall be inclusive of any sub-limit(s) provisions and will be eroded by valid **Damages**, **Claims Expenses** associated with a **Claim(s)**, and any other amount(s) as may be payable under any Extension endorsed to this **Coverage Agreement**.
- C. **Assailant(s)** means an individual or group of individuals actively engaged in, or assisting in, killing or attempting to kill a person or persons using a **Weapon**.
- D. **Bodily Injury** means all physical injuries to a **Covered Person** for death, physical injury, sickness, disease or disability resulting from a **Deadly Weapon Event** however excluding the **Assailant(s)** of the **Deadly Weapon Event**.
- E. **Business Services** means the rendering of services as performed by the **Covered Party** at the **Locations of the Covered Party**.
- F. **Claim** means a written demand received by the **Covered Party** from a third party for **Damages** covered by this **Coverage Agreement**.
- G. **Claims Expenses** means all reasonable and necessary fees, costs and expenses incurred with the written consent of **Preferred** resulting from the investigation, adjustment, appraisal, defense or appeal of a **Claim**, suit or proceeding relating to a **Claim** regardless of ultimate determination of liability. **Claims Expenses** do not include the salaries, expenses, overheads or other charges by the **Covered Party** for any time spent in cooperating in the defense, settlement and investigation of any **Claim**.
- H. **Claims Made And Reported Coverage Agreement** means that, subject to the terms and conditions of this **Coverage Agreement**, the coverage provided by this **Coverage Agreement** only covers **Claims** first made against the **Covered Party** or a circumstance which could reasonably be expected to give rise to a **Claim** during the **Agreement Period** and reported to **Preferred** in writing as soon as reasonably possible and in no event longer than ninety (90) days after the expiration date of the **Agreement Period**.

I. **Counselling Services** means the utilization of psychiatrists, social workers and counsellors by affected **Covered Persons** following a **Deadly Weapon Event**, except where provided under any workers' compensation, employers liability, unemployment compensation or disability laws, statutes or regulations.

J. **Covered Party** means the entity and its **Location(s)** where **Business Services** are rendered.

K. **Covered Person(s)** means any third party human being who is in or on a **Location(s)** unless specifically excluded by this **Coverage Agreement**.

L. **Crisis Management Services** means the services that will be available to the **Covered Party** directly and up to a maximum of ninety (90) days immediately after a **Deadly Weapon Event**; the available services are:

1. Retention of services

The **Covered Party** will have access to the **Crisis Management Response Team** in the event of a **Deadly Weapon Event**. To access this support on a 24-hour basis, the **Covered Party** will call the **Crisis Management Response Team**. The **Event Responder** will work with their **Crisis Management Response Team** to determine the reasonable and appropriate response and will advise the **Covered Party** accordingly.

2. Crisis Response

The **Event Responder** will deploy US-based resources to support the **Covered Party** in the event of a **Deadly Weapon Event**. These **Crisis Management Services** fall into the following three categories:

a. Investigation

The **Event Responder** will (if required) conduct an independent investigation into the **Deadly Weapon Event** for sole use by the **Covered Party** in determining the facts of the **Deadly Weapon Event**, informing crisis response plans and identifying any potential third party liability exposures as soon as possible.

b. Crisis Management Support

The **Event Responder** will provide advice and support to the **Covered Party** on the management of the situation and the applicable crisis communication strategies post the **Deadly Weapon Event**.

c. Temporary Security Measures

The **Event Responder** will (if required) arrange for armed or unarmed agents to provide temporary security enhancements as required by the response strategies.

M. **Crisis Management Response Team** means a team of qualified professionals formed by **Preferred** who respond to a qualifying event in order to provide assistance, guidance and resources to the **Covered Party** during or immediately following the event. The **Crisis Management Response Team** operates in accordance with plans and protocols developed by **Preferred**. Services may include, but are not limited to; public relations, media management, legal, crisis counselling to the **Covered Party**, site security, remediation and recovery, restoration and similar services.

N. **Damages** mean a monetary judgment, monetary award or monetary settlement made by a competent court with **Preferred's** written approval. Except, however, that **Damages** shall not include punitive or exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.

- O. **Deadly Weapon Event** means any event involving an **Assailant(s)** and the **Covered Party** where a **Weapon** has been used or brandished on any **Location(s)** of the **Covered Party**.
- P. **Declarations** means the document showing the **Covered Party**, and the **Covered Party's** full coverage details. This **Coverage Agreement** is not effective unless a **Declarations** is issued and the premium payment clause has been adhered to.
- Q. **Directors or Officers** means any partner, executive officer, administrator, member of the **Covered Party** which is a not-for-profit corporation, stockholder or member of the board of directors, trustees or governors of the **Covered Party**.
- R. **Event Responder** means a US based risk management entity that operates in safety and security, emergency preparedness, disaster management and public safety consulting services.
- S. **Euthanasia** means the practice of intentionally ending a life in order to relieve pain and suffering. This definition is in respect to **Voluntary Euthanasia** and **Non-Voluntary Euthanasia**. **Voluntary Euthanasia** is **Euthanasia** conducted with the consent of the person and **Non-Voluntary Euthanasia** is **Euthanasia** conducted where the consent of the person is unavailable.
- T. **Extra Expense** means the additional costs (if any) incurred by the **Covered Party** during the **Period of Restoration** in order for the **Covered Party** to operate as **Normal**. **Extra Expense** includes the cost incurred in obtaining property (buildings, equipment, and other business personal property) for temporary use or occupation during the **Period of Restoration** necessarily required for the conduct of the **Covered Party's** business, however; the amount recoverable under this section will not exceed the amount that would have been expended by the **covered party** in renting, leasing or otherwise acquiring any such property of substantially similar size, capacity and quality as the property made unusable by the **Deadly Weapon Event**.
- U. **Funeral Expenses** means the professional services that are provided and charged via a fixed fee in order to cover the full arrangement of a funeral(s). This includes:
- personal supervision of all the arrangements preceding, during and following the service, liaison with third parties, such as clergy, crematorium, cemetery and florists, use of the funeral home facilities, such as chapels and private rooms, preparing and attending to all essential documentation and provision of all necessary funeral staff to provide a dignified and personal service.
  - Supplementary charges, which include bringing the deceased into the undertaker's care, presentation of the deceased, provision of a hearse and repatriation of mortal remains.
  - The cost of the coffin or casket.
  - Additional charges such as limousines, additional mileage and cremation casket.
  - Disbursements and other out-of-pocket expenses which are reasonably and necessarily incurred by the **Covered Party**, or on the **Covered Party's** behalf, in connection with any of the foregoing.
- V. **Immediate Family Members** means a person who is related to the **Covered Person(s)** in any of the following ways: Spouse, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild). **Immediate Family Members** also includes a person who is a legal guardian of the **Covered Person(s)**.

- W. Joint Venture** means a co-venture, joint lease, joint operating agreement or partnership in which the **Covered Party** has a financial interest.
- X. Location(s) of the Covered Party** means all locations which are owned, leased or are part of a **Joint Venture** by the **Covered Party** which have been listed and provided to **Preferred** prior to binding coverage.
- Y. Mercy Killing(s)** means the deliberate act of ending the life of a person or persons who are suffering from an incurable illness or disease. This definition is in respect to **Passive Mercy Killing(s)** where a person(s) undertaking the act of killing the incurably ill person(s) is acting at the explicit request of the person(s) who wishes to die.
- Z. Normal** means the condition that would have existed but for the happening of a **Deadly Weapon Event**.
- AA. Period of Restoration** means a period of time not to exceed the lesser of:
- a. Such length of time as would be required, with the exercise of due diligence and dispatch, to enable the **Covered Party** to resume business operations at the same or equivalent operational capability that existed immediately prior to a **Deadly Weapon Event**; or
  - b. 365 days commencing with the date of such a **Deadly Weapon Event**, and not limited by the expiration of this coverage agreement and at all times in accordance with the conditions of this coverage agreement.
- Such length of time described in **a** and **b** above shall include the time required with due diligence and dispatch to reinstate, rebuild, or replace the buildings, equipment and business personal property of the **covered party** at another site if required to do so by order of a competent municipal, civil or governmental authority and as a direct result of a **Deadly Weapon Event**.
- Y. Pollutant or Contaminant** includes but is not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence, or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
- Z. Property Damage** means physical loss of, physical damage to or physical destruction of tangible property including the resulting loss of use of such tangible property.
- AA. Related Purpose** means one **Deadly Weapon Event** or a series of **Deadly Weapon Events** where the **Assailant(s)** attempt to cause **Bodily Injury** for the same intended reason and/or for the same desired result.
- BB. Retroactive Date** means the date on or after which any **Claim** from a **Deadly Weapon Event** can be reported in order for the coverage under this **Coverage Agreement** to be triggered.
- CC. Road Vehicle** means a private or commercial land-based vehicle which is licensed for highway use, including automobiles, buses, trucks or motorcycles.
- DD. Suicide** means the act of intentionally killing or attempting to kill oneself.
- EE. Preferred** shall mean Preferred Governmental Insurance Trust, who is providing this **Coverage Agreement**.
- FF. Coverage Agreement** shall mean, collectively, the **Declarations** PGIT MN-040, the **Common Agreement Conditions** PGIT MN-090, the **Application**, this **Coverage Agreement** Form and any endorsements.
- GG. Application** shall mean all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the **Covered Party** to **Preferred** in connection with **Preferred** underwriting this **Coverage Agreement** or any policy of which this **Coverage Agreement** is a direct or indirect

renewal or replacement. All such applications, attachments, information and materials are deemed attached to and incorporated in this **Coverage Agreement**.

**HH. Weapon** means:

1. any portable or handheld device, instrument or substance which is used by the **Assailant(s)** in a manner to deliberately cause death or **Bodily Injury**;
- And/or
2. any **Road Vehicle** that is occupied and used by the **Assailant(s)** in a manner to deliberately cause death or **Bodily Injury**.

### **SECTION III - EXCLUSIONS**

This **Coverage Agreement** does not cover **Damages, Claims Expenses** or any other cost or expense with respect to any **Claim** directly or indirectly arising from, caused by or due to:

- A. Loss of market, loss of income, loss of use or any other consequential loss at the property physically lost or physically damaged by a **Deadly Weapon Event**.
- B. Confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- C. Criminal, dishonest, fraudulent or malicious conduct by the **Covered Party**.
- D. Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the **Directors** or **Officers**, individually or collectively, in the discharge of their duties solely in their capacity as **Directors** or **Officers** of the **Covered Party**.
- E. **Euthanasia**.
- F. Any explosive devices unless used in conjunction with a **Deadly Weapon Event**.
- G.
  1. Any vehicle not defined as a **Road Vehicle**;
  2. Any weapon mounted (or designed to be mounted) on a vehicle;
  3. Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone.
- H. Injury or death to employees of the **Covered Party**, or to employees of any third party with whom the **Covered Party** has contracted for services including but not limited to temporary or borrowed employees, medical staff, administrative staff, law enforcement officers, security guards, concierges, valet staff, receptionists and door staff. However, this exclusion does not apply in respect of any coverage provided for **Crisis Management Services, Counselling Services**, and **Funeral Expenses** endorsed by Extension to this **Coverage Agreement**.
- I. Any **Claim** or **Claims** made by, or on behalf of, any **Assailant(s)**.
- J. the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.

**K.**

1. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;
5. any chemical, biological, bio-chemical, or electromagnetic weapon. This exclusion does not, however, apply to a substance when used in conjunction with a **Deadly Weapon Event**.

**L.** Loss, injury or damage arising out of any mental injury or mental anguish related claim where no actual **Bodily Injury** has occurred to the claimant.

**M.** Loss, injury or damage caused by or resulting from the **Covered Party's** recklessness or deliberate misconduct.

**N. Mercy Killing(s).**

**O.** Any **Covered Party** under this **Coverage Agreement** making a **Claim(s)** against any other **Covered Party** under this **Coverage Agreement**.

However, this exclusion shall not apply to **Claim(s)** of an employee of the **Covered Party** while they are a recipient of **Business Services** being provided by the **Covered Party**.

**P.** Nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

**Q.** Any **Pollutant or Contaminant**, however such **Pollutant or Contaminant** may have been introduced or arisen.

**R.** Loss or damage arising from goods or products designed, manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the **Covered Party**.

**S. Property Damage** in respect of property:

1. owned, leased, rented or occupied by the **Covered Party**.
2. in the care, custody or control of the **Covered Party** or the care, custody or control of any person under contract with the **Covered Party**.

**T.** Punitive or exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.

**U.** Strikes, labor unrest, riots or civil commotion.

**V. Suicide.**

- W.** War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection; civil commotion assuming the proportions of, or amounting to, an uprising; military or usurped power.

Nothing contained in the above exclusions shall extend this **Coverage Agreement** to cover any liability which would not have been covered had these exclusions not been incorporated herein.

#### **SECTION IV – LIMIT OF LIABILITY**

The Limit of Liability stated in the **Declarations** PGIT MN-040 is the total limit of **Preferred's** liability for all **Damages** and **Claims Expenses** arising out of the **Claims** first made against the **Covered Party** during the **Agreement Period** and reported to **Preferred** in writing no later than ninety (90) days after the expiration date of the **Agreement Period** regardless of the number of **Covered Parties** under this **Coverage Agreement**, **Claims** or Claimants.

#### **SECTION V – CONDITIONS**

**Preferred** will not be liable to pay any **Claim** under this **Coverage Agreement** unless the **Covered Party** complies with all the requirements in the following conditions.

##### **Notice and Proof of Loss**

The **Covered Party** shall as soon as reasonably practicable call the **Crisis Management Response Team** Telephone: **860-677-3790** and notify the **Event Responder** (as stated within the **Declarations**).

The **Covered Party**, shall also as soon as reasonably practicable, notify **Preferred** of every **Claim**, demand, notice, summons or other process received by the **Covered Party** or their representative and any act, error or omission by the **Covered Party** which could reasonably be expected to give rise to a **Claim**, including any threat of a **Deadly Weapon Event** that could possibly lead to a **Claim**.

The **Covered Party** must keep **Preferred** fully informed of any **Claim** and forward copies of all relevant correspondence and legal processes.

Any **Claim** or any circumstance which could reasonably be expected to give rise to a **Claim** shall be considered to be reported to **Preferred** when notice is first given to **Preferred**.

##### **Assistance and Cooperation**

The **Covered Party** shall cooperate with **Preferred** and it's agents in all investigations, including investigations regarding the application for and coverage under this **Coverage Agreement** and, upon **Preferred's** request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Covered Party** because of acts, errors or omissions in respect of loss insured under this **Coverage Agreement**.

The **Covered Party** shall attend hearings, trials and assist in securing and giving evidence and obtaining the attendance of witnesses where required by **Preferred**.

The **Covered Party** must not admit liability, make an offer or promise of any payment, assume any obligation, incur any expense, enter into any settlement, acquiesce or agree to any judgement or award or otherwise dispose of any **Claim** without the written agreement of **Preferred**.

If required by **Preferred**, the **Covered Party** must agree to an examination under oath by **Preferred's** appointed representative.

#### **Due diligence**

The **Covered Party** (or any of the **Covered Party's** agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable to avoid or diminish further injury or damage and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

#### **New Locations**

This **Coverage Agreement** covers loss as insured against by this **Coverage Agreement** at any **Location(s)** which are newly acquired or occupied by the **Covered Party** provided that any such newly acquired or occupied **Location** is notified to **Preferred** within ninety (90) days of the completion date of such acquisition or occupation. Coverage under this **Coverage Agreement** will automatically commence when the **Covered Party** first acquires or occupies such **Location(s)** and will cease after the ninety (90) days period has elapsed, unless otherwise notified to **Preferred** in accordance with the above provisions.

#### **Other insurance**

This **Coverage Agreement** will act as primary coverage to any other coverage or insurance carried by or available to the **Covered Party**. This **Coverage Agreement** will respond in the event the **Covered Party** is otherwise insured incidentally for any **Damages** and **Claims Expenses** which are indemnifiable under this **Coverage Agreement** (namely under a more general or combined insurance providing coverage, in addition, for other risks not indemnified under this **Coverage Agreement**).

#### **Onus of proof**

In any **Claim**, and in any action, suit or other proceeding to enforce a **Claim** for loss under this **Coverage Agreement** the burden of proving that such loss is not excluded from this **Coverage Agreement** or that the **Covered Party** is not in breach of any of its conditions will be upon the **Covered Party**.

#### **Inspection**

**Preferred** has the right, at its expense, to inspect at any reasonable time any **Location(s)** of the **Covered Party** and kept on file with **Preferred**.

By any such inspection **Preferred** assumes no responsibility for safety of the **Covered Party** property or at any **Location(s)**.

#### **Assignment**

No assignment of or change of interest in this **Coverage Agreement** or in any amount payable under it will be binding on or recognized by **Preferred**.

#### **Subrogation**

**Preferred** shall have the right and be entitled to bring proceedings in the **Covered Party's** name to recover for **Preferred's** benefit the amount of any payment made under this **Coverage Agreement**, including its own costs and expenses. **Preferred** shall be entitled to exercise all rights and remedies of the **Covered Party**.

#### **Arbitration**

If any dispute, controversy or **Claim** arises out of or in connection with this **Coverage Agreement**, including any question regarding its existence, validity or termination (a - dispute), the parties shall use all reasonable endeavors to resolve the matter amicably. If one party gives the other party notice that a dispute has arisen and the parties do not resolve the dispute within thirty (30) days of service of the notice then the dispute shall be referred to the representatives of the parties who shall, acting jointly and in good faith, attempt to resolve the dispute. No party shall resort to arbitration against the other party under this **Coverage Agreement** until thirty (30) days after such referral. (b) All disputes, which are unresolved pursuant to (a) above and which a party wishes to have resolved, shall be submitted to the arbitration process set forth in this Section. The arbitration

process shall consist of arbitration submitted to any arbitration facility to which the **Covered Party** and **Preferred** mutually agree, in which the arbitration panel shall consist of three (3) disinterested individuals. The arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the award of the arbitrators shall not include attorneys' fees or other costs. Each party shall share equally the expenses of the arbitration process. The arbitration process must be commenced in the state indicated in the **Declarations** as the principal address of the **Covered Party**. The **Covered Party** shall act on behalf of each and every **Covered Party** in connection with any arbitration process under this Section.

#### **Law and Jurisdiction**

This **Coverage Agreement** is governed by the laws of the State of Florida and is subject to the provisions of the Arbitration clause.

#### **Interpretation of Terms**

To the extent that any court of competent jurisdiction should determine that any term or provision of this **Coverage Agreement** would be in conflict with the public policy, the said term or provision is to be interpreted and/or amended so as to conform to the said jurisdiction's public policy.

#### **Action Against Preferred and Bankruptcy**

- A. Except as provided in the provision titled **Arbitration**, no action shall be brought against **Preferred**, unless, as a condition precedent thereto, the **Covered Parties** shall have fully complied with all the terms of this **Coverage Agreement**, and the amount of the **Covered Parties'** obligation to pay shall have been fully determined either by judgment against the **Covered Parties** after actual trial and appeal or by written agreement of the **Covered Parties**, the claimant and **Preferred**.
- B. Bankruptcy or insolvency of the **Covered Parties** or of the **Covered Parties'** estates shall neither relieve nor increase any of the obligations of **Preferred** hereunder.

#### **Authorization Clause**

By the acceptance of this **Coverage Agreement**, the **Covered Party** agrees to act on behalf of all **Covered Parties** with respect to the giving of notice of **Claim**, the giving or receiving of notice of termination or non renewal, the payment of premiums, the receiving of any premiums that may become due under this **Coverage Agreement**, the agreement to and acceptance of endorsements, consenting to any settlement, and the giving or receiving of any other notice provided for in this **Coverage Agreement**, and all **Covered Parties** agree that the **Covered Party** shall act on their behalf.

#### **Alteration, Assignment and Headings**

- A. Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this **Coverage Agreement** nor prevent **Preferred** from asserting any right under the terms of this **Coverage Agreement**.
- B. No change in, modification of, or assignment of interest under this **Coverage Agreement** shall be effective except when made by a written endorsement to this **Coverage Agreement**, which is signed by an authorized representative of **Preferred**.
- C. The titles and headings to the various parts, sections, subsections and endorsements of the **Coverage Agreement** are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such parts, sections, subsections or endorsements.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEADLY WEAPON AND SECURITY VULNERABILITY POST-UNDERWRITING  
REVIEW AND DEADLY WEAPON SAFETY ACTION PLAN WEBINARS ENDORSEMENT**

**DEADLY WEAPON AND SECURITY VULNERABILITY POST-UNDERWRITING REVIEW:**

**Preferred** hereby agrees to provide the **Covered Party** with access to a Deadly Weapon and Security Vulnerability Post-Underwriting Review, in remote form. The Review will be undertaken by the **Event Responder** (as stated within the **Declarations**) in order to analyze and evaluate the current security protocols of the **Covered Party** as well as highlighting any current exposures, threats and dangers to the **Covered Party** posed by a potential **Deadly Weapon Event**. The **Event Responder** will provide a risk analysis report which will contain, but not be limited to their quantitative findings, qualitative findings and general recommendations to the **Covered Party**. The date of the remote Deadly Weapon and Security Vulnerability Post-Underwriting Review will be arranged directly by the **Event Responder** with the **Covered Party**.

The **Event Responder** as stated within the **Declarations** is the sole provider of the Deadly Weapon and Security Vulnerability Post-Underwriting Review to the **Covered Party** under this **Coverage Agreement**.

**DEADLY WEAPON SAFETY ACTION PLAN WEBINARS:**

**Preferred** hereby agrees to provide the **Covered Party** with access to Deadly Weapon Safety Action Plan Webinars which are hosted by the **Event Responder** (as stated within the **Declarations**). The Webinars will include, but not be limited to, information on such topics as: general **Assailant** awareness, incident response, profile of an **Assailant**, how to respond to a **Deadly Weapon Event**, scenario training for an **Assailant** situation, creating an emergency action plan, and awareness of key behaviors that represent pre-incident indicators and characteristics of **Assailant(s)**.

The **Event Responder** as stated within the **Declarations** is the sole provider of the **Deadly Weapon Safety Action Plan Webinars** to the **Covered Party** under this **Coverage Agreement**.

If a word is in boldface, please read the definitions section of the **Coverage Agreement** to which this Endorsement is attached.

All other terms, conditions and exclusions of this **Coverage Agreement** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **CRISIS MANAGEMENT SERVICES ENDORSEMENT**

**Preferred** agrees to pay for expense costs associated with the provision of **Crisis Management Services** which are reasonably and necessarily incurred by the **Covered Party** in connection with a **Deadly Weapon Event**.

Any such expense costs are inclusive of response and consultant fees and all associated expenses, and included within the Deadly Weapon Event Limit of Liability available as stated in PGIT MN-040 and not in addition to the limit of liability. The **Crisis Management Services** will be available to the **Covered Party** directly and up to a maximum of ninety (90) days immediately after a **Deadly Weapon Event**. Such services available to the **Covered Party** include, but are not limited to: emergency travel and accommodation for **Covered Person(s)** and their **Immediate Family Members**, child care for the **Immediate Family Members** of **Covered Person(s)**, brand rehabilitation, public relations, media management, legal, crisis counselling to the **Covered Party**, site security, remediation and recovery, restoration and similar services.

The **Event Responder** as stated within the **Declarations** is the sole provider of **Crisis Management Services** to the **Covered Party** under this **Coverage Agreement**.

This Endorsement insures **Crisis Management Services** incurred in connection with a **Deadly Weapon Event** that occurs during the **Agreement Period**. This Endorsement does not insure any **Deadly Weapon Event** that first takes place prior to the inception date of this coverage, nor any **Deadly Weapon Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage. The Important Notice: "This is a **Claims Made and Reported Coverage Agreement**" stipulated in the Deadly Weapon Protection Coverage Form to which this Endorsement is attached does not apply to the Crisis Management Services Endorsement. Similarly, any other terms in the Deadly Weapon Protection Coverage Form that make reference to **Claims-Made and Reported** basis and **Retroactive Date** do not apply to this Endorsement.

All other terms, conditions and exclusions of this **Coverage Agreement** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PROPERTY DAMAGE EXTENSION ENDORSEMENT

### INSURING CLAUSE

In consideration of the premium paid, the Deadly Weapon Protection Coverage Form to which this Endorsement is attached is amended to additionally insure the **Covered Party** against physical loss or physical damage to **Covered Property** caused by a **Deadly Weapon Event**, as defined by the Deadly Weapon Protection Coverage Form, occurring at the **Location(s)** of the **Covered Party**. In the event that fire or sprinkler leakage ensues from a **Deadly Weapon Event**, then this Endorsement will also insure physical loss or physical damage to **Covered Property** caused by that ensuing fire or sprinkler leakage.

This Property Damage Extension Endorsement is subject to the terms and conditions (other than exclusions), and definitions stipulated in the Deadly Weapon Protection Coverage Form to which it is attached and, in addition, to the terms, conditions, exclusions and definitions stipulated in this Endorsement. In the event that a term, condition, or definition stipulated in this Endorsement conflicts with any term, condition, or definition contained in the Deadly Weapon Protection Coverage Form, then such term, condition, or definition in this Property Damage Extension Endorsement shall prevail.

This Endorsement insures physical loss or physical damage caused by a **Deadly Weapon Event** that occurs during the **Agreement Period**. This Endorsement does not insure any **Deadly Weapon Event** that first takes place prior to the inception date of this coverage, nor any **Deadly Weapon Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage. The Important Notice: "This is a **Claims Made and Reported Coverage Agreement**" stipulated in the Deadly Weapon Protection Coverage Form to which this Endorsement is attached does not apply to this Property Damage Extension Endorsement. Similarly, any other terms in the Deadly Weapon Protection Coverage Form that make reference to **Claims-Made and Reported** basis and **Retroactive Date** do not apply to this Endorsement.

If a word is in boldface, please read the definitions section of the policy to which this Endorsement is attached.

### COVERAGE

In the event of a **Deadly Weapon Event** that occurs during the **Agreement Period**, and in conjunction with the recommendations of the **Crisis Management Response Team, Preferred** shall be liable for:

- 1) The cost to repair, replace or reinstate, with new materials of like kind and quality, any physical loss or physical damage to the **Covered Property**, caused by such **Deadly Weapon Event**. Until replacement has been completed the amount of liability under this Endorsement shall be limited to the **Actual Cash Value** at the time of such **Deadly Weapon Event**.
- 2) The costs incurred by the **Covered Party** to put up temporary plates or board up openings if repair or replacement of damaged **Glass** is delayed;
- 3) The costs incurred by the **Covered Party** in the removal from the **Location(s)** of debris of the **Covered Property** damaged as a result of a **Deadly Weapon Event**, and in the clean-up of the **Location(s)**, including biological cleaning and sanitizing, in consequence of a **Deadly Weapon Event**;
- 4) The costs incurred by the **Covered Party** in re-filling, recharging or replacing any fire extinguishers, local or fixed fire suppression or gas flooding systems, sprinkler installations and sprinkler heads, and

in having any fire or intruder alarms, or closed circuit television equipment re-set, made necessary as a result of a **Deadly Weapon Event**;

- 5) The costs incurred by the **Covered Party** in replacing locks to external doors if security at the **Location(s)** is compromised in consequence of a **Deadly Weapon Event**.

#### **LIMIT OF LIABILITY**

**Preferred** shall not be liable for more than the Property Damage Extension sublimit shown on PGIT MN-040 for each and every **Deadly Weapon Event**. The limit of liability of this Endorsement is part of and not in addition to the Deadly Weapon Event Limit of Liability as stated in PGIT MN-040.

#### **EXCLUDED PROPERTY**

This Property Damage Extension Endorsement does not insure physical loss or physical damage to:

- a) Land or land values;
- b) Aircraft, watercraft or any vehicle that is licensed for highway use;
- c) Animals;
- d) Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of **Covered Property**), jewelry, furs, **Fine Arts and Antiques**;
- e) **Electronic Data**;
- f) Any property in transit not at the **Location(s)**.

#### **CONDITIONS**

1. **Deadly Weapon Event** -No claim shall be payable under this Endorsement unless a **Deadly Weapon Event**, insured under the Deadly Weapon Protection Coverage Form to which this Endorsement is attached, has occurred.
2. **Other Insurance** -This Endorsement will act as primary coverage to any other coverage or insurance carried by or available to the **Covered Party**.
3. **Subrogation** - In the event of any payment under this Endorsement, **Preferred** shall be subrogated to the extent of such payment to all the **Covered Party's** right of recovery therefor. The **Covered Party** shall execute all papers required, shall cooperate with **Preferred** and, upon **Preferred's** request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. **Preferred** will act in concert with all other interests concerned (including the **Covered Party**) in the exercise of such rights of recovery.
4. **Abandonment**- There shall be no abandonment to **Preferred** of any property.
5. **Inspection and Audit**- **Preferred** or its agents shall be permitted but not obligated to inspect the **Covered Party's** property at any time.

#### **EXCLUSIONS**

This Property Damage Extension Endorsement does not insure against:

- a. nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused;

- b. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection; civil commotion assuming the proportions of, or amounting to, an uprising; military or usurped power;
- c. the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event, whether or not insured by this Endorsement, contributing concurrently or in any other sequence to the physical loss or physical damage. This exclusion does not, however, apply to a substance when used in conjunction with a **Deadly Weapon Event**;
- d. loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property at the **Location(s)**;
- e. fines, penalties, or **Damages** incurred by, or imposed upon, the **Covered Party** at the order of any Government Agency, Court or other Authority, whether arising from or in connection with a **Deadly Weapon Event** or otherwise.
- f. loss of market, loss of income, loss of use or any other consequential loss at the property physically lost or physically damaged by an **Deadly Weapon Event**;
- g. confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority;
- h. criminal, dishonest, fraudulent or malicious conduct by the **Covered Party**;
- i. any explosive devices unless used in conjunction with a **Deadly Weapon Event**;
- j.
  - a. Any vehicle not defined as a **Road Vehicle**
  - b. Any weapon mounted (or designed to be mounted) on a vehicle;
  - c. Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone;
- k. the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system;
- l. any **Pollutant or Contaminant**, however such **Pollutant or Contaminant** may have been introduced or arisen. This exclusion does not, however, apply to physical loss or physical damage to **Insured Property** caused by a substance when used in conjunction with a **Deadly Weapon Event**, or to any biological cleaning or sanitizing in consequence of a **Deadly Weapon Event**, but in no event will this Property Damage Extension Endorsement insure against any cost or expense of decontamination or removal from water, soil, or air of any **Pollutant or Contaminant**;
- m. strikes, labor unrest, riots or civil commotion.

#### **DEFINITIONS**

1. **Actual Cash Value** means the cost to repair, replace or reinstate the **Covered Property** with proper deduction to reflect any depreciation, deterioration and obsolescence of the **Covered Property**.
2. **Damages** mean a monetary judgement, monetary award or monetary settlement made by a Court. For the purpose of this coverage, **Damages** include punitive or exemplary **Damages**, sanctions or any additional **Damages** resulting from multiplication of compensatory **Damages**.
3. **Electronic Data** means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs and software and other coded instructions for the processing and manipulation of **Electronic Data** or the direction and manipulation of electronic data processing equipment.
4. **Fine Arts and Antiques** mean any articles of recognized artistic or collectible nature of whatsoever description including, but not limited to, tapestries, rugs, furniture, paintings, photographs, etchings,

manuscripts, sculptures, statuary, porcelains, rare or art glass, objets d'art, contemporary art, clocks, articles of historical value or forming part of a collection.

5. **Glass** means plain plate **Glass**, plain sheet **Glass**, laminated **Glass**, and polycarbonate sheeting fixed into, or forming part of, any window, door, transom, fanlight, skylight, roof light, greenhouse or conservatory;

6. **Covered Property** means:

- 1) Buildings, structures or detached outbuildings situated at the **Location(s)**, including:
  - a. Completed additions;
  - b. Permanently installed machinery, equipment, and heating boilers;
  - c. Permanently installed appliances used for refrigeration, ventilation, cooking, dishwashing or laundering;
  - d. Floor coverings;
  - e. **Glass**, wall mirrors, and **Sanitary Ware**.
- 2) Business personal property owned by the **Covered Party**, which is of a type not excluded, whilst situated at the **Location(s)** of the **Covered Party**, including:
  - a. Furniture and fixtures;
  - b. Machinery and equipment not included in 1).b. above, electronic data processing equipment and computers; electronic data processing media;
  - c. Appliances used for refrigeration, ventilation, cooking, dishwashing or laundering not included in 1).c. above;
  - d. **Stock** and tools of the trade.
- 3) Personal property of others which is in the care, custody and control of the **Covered Party** and personal property of others which the **Covered Party** is responsible to insure, which is of a type not excluded, whilst situated at the **Location(s)** of the **Covered Party**.
- 4) At the option of the **Covered Party**, personal property of **Covered Person(s)**, which is of a type not excluded, whilst situated at the **Location(s)** of the **Covered Party**.

7. **Sanitary Ware** means baths, sinks, lavatory bowls and cisterns, washbasins and pedestals.

8. **Stock** means merchandise held for storage or for sale, raw materials, and in-process or finished goods, including supplies used in their packing or shipping.

All other terms, conditions and exclusions of this **Coverage Agreement** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### COUNSELLING SERVICES ENDORSEMENT

**Preferred** agrees to provide the **Covered Party** with a sub-limit for **Counseling Services** shown in the Declarations of PGIT MN-040 for each and every **Deadly Weapon Event**, to **Covered Person(s)** and to their **Immediate Family Members** in connection with a **Deadly Weapon Event**, provided that the insurance afforded by **Preferred** in respect of such **Counseling Services** is not otherwise prohibited by any law or statute of any applicable jurisdiction.

This Endorsement additionally includes expense costs associated with the provision of such **Counseling Services** to employees of the **Covered Party**, or to employees of any third party with whom the **Covered Party** has contracted for services, and to their respective **Immediate Family Members**. It is understood and agreed that Exclusion H of the Deadly Weapon Protection Coverage Form will not apply to this Counseling Services Endorsement, but only to the extent that such expense costs are not otherwise recoverable from any workers' compensation, employer's liability or any other similar insurance held by the **Covered Party** or such contracted third party. It is further understood and agreed that Exclusion L of the Deadly Weapon Protection Coverage Form will not apply to this Counseling Services Endorsement.

This sub-limit of expense costs is inclusive of all medical consultant fees and all associated expenses. Furthermore this sub-limit of liability is part of and not in addition to the Deadly Weapon Event Limit of Liability as stated within PGIT MN-040.

The **Event Responder** as stated within the **Declarations** is the sole provider of **Counseling Services** to the **Covered Party** under this policy. The **Event Responder** will arrange the respective **Counseling Services** in conjunction with the **Covered Party**.

This Endorsement insures **Counseling Services** incurred in connection with a **Deadly Weapon Event** that occurs during the **Agreement Period**. This Endorsement does not insure any **Deadly Weapon Event** that first takes place prior to the inception date of this coverage, nor any **Deadly Weapon Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage. The Important Notice: "This is a **Claims Made and Reported Coverage Agreement**" stipulated in the Deadly Weapon Protection Coverage Form to which this Endorsement is attached does not apply to this Counseling Services Endorsement. Similarly, any other terms in the Deadly Weapon Protection Coverage Form that make reference to **Claims-Made and Reported** basis and **Retroactive Date** do not apply to this Endorsement.

All other terms, conditions and exclusions of this **Coverage Agreement** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **FUNERAL EXPENSES ENDORSEMENT**

**Preferred** at no additional premium hereby agrees to provide the **Covered Party** with a sub-limit for Funeral Expenses as listed in PGIT MN-040 for each and every **Deadly Weapon Event** for expense costs in connection with a **Deadly Weapon Event**.

This Endorsement additionally includes expense costs associated with the provision of such **Funeral Expenses** of employees of the **Covered Party**, or of employees of any third party with whom the **Covered Party** has contracted for services, and it is understood and agreed that Exclusion H of the Deadly Weapon Protection Coverage Form will not apply to this Funeral Expenses Endorsement, but only to the extent that such expense costs are not otherwise recoverable from any workers' compensation, employer's liability or any other similar insurance held by the **Covered Party** or such contracted third party.

This sub-limit of expense costs is inclusive of all direct associated expenses with respect to the related funeral(s). Furthermore this sub-limit of liability is part of and not in addition to the Deadly Weapon Event Limit of Liability as stated PGIT MN-040.

**The Event Responder** as stated within the **Declarations** will arrange the respective funeral provisions in conjunction with the **Covered Party**.

This Endorsement insures **Funeral Expenses** incurred in connection with a **Deadly Weapon Event** that occurs during the **Agreement Period**. This Endorsement does not insure any **Deadly Weapon Event** that first takes place prior to the inception date of this coverage, nor any **Deadly Weapon Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage. The Important Notice: "This is a **Claims Made and Reported Coverage Agreement**" stipulated in the **Deadly Weapon Protection Coverage Form** to which this Endorsement is attached does not apply to this Funeral Expenses Endorsement. Similarly, any other terms in the **Deadly Weapon Protection Coverage Form** that make reference to **Claims-Made and Reported** basis and **Retroactive Date** do not apply to this Endorsement.

All other terms, conditions and exclusions of this **Coverage Agreement** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS INTERRUPTION EXTENSION ENDORSEMENT

In consideration of the premium paid, the Deadly Weapon Protection Policy to which this Endorsement is attached is amended to additionally insure the **Covered Party** for loss resulting from necessary Interruption of Business caused by a **Deadly Weapon Event**, as defined by the Deadly Weapon Protection Coverage Form, occurring at the **Location(s)** of the **Covered Party**.

This Business Interruption Extension Endorsement is subject to the terms and conditions (other than exclusions), and definitions stipulated in the Deadly Weapon Protection Coverage Form to which it is attached and, in addition, to the terms, conditions, exclusions and definitions stipulated in this Endorsement. In the event that a term, condition, or definition stipulated in this Endorsement conflicts with any term, condition, or definition contained in the Deadly Weapon Protection Coverage Form, then such term, condition, or definition in this Business Interruption Extension Endorsement shall prevail.

This Endorsement insures a **Deadly Weapon Event** that occurs during the **Agreement Period**. This Endorsement does not insure any **Deadly Weapon Event** that first takes place prior to the inception date of this coverage, nor any **Deadly Weapon Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage. The Important Notice: "This is a **Claims Made and Reported Coverage Agreement**" stipulated in the Deadly Weapon Protection Coverage Form to which this Extension is attached does not apply to this Business Interruption Extension Endorsement. Similarly, any other terms in the Deadly Weapon Protection Coverage Form that make reference to **Claims-Made and Reported** basis and **Retroactive Date** do not apply to this Endorsement.

If a word is in boldface, please read the definitions clause of this Business Interruption Extension Endorsement and the definitions section of the Deadly Weapon Protection Coverage Form to which this Endorsement is attached.

### COVERAGE

In the event of a **Deadly Weapon Event** that occurs during the **Agreement Period**, **Preferred** shall be liable for the actual loss sustained by the **Covered Party** resulting directly from such necessary Interruption of Business, but not exceeding the reduction in **Gross Earnings** during the **Period of Indemnity**.

Due consideration shall be given to the continuation of **Normal** charges and expenses, including payroll expenses, to the extent necessary to resume operations of the **Named Insured** at the same or equivalent operational capability that existed immediately prior to a **Deadly Weapon Event**.

### LIMIT OF LIABILITY

**Preferred** shall not be liable under this Endorsement for more than the Deadly Weapon Limit of Liability as stated in PGIT MN-040 in respect of each and every **Deadly Weapon Event**.

### EXCLUSIONS

This Business Interruption Extension does not insure against:

- a. nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused;
- b. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection; civil commotion assuming the proportions of, or amounting to, an uprising; military or usurped power;
- c. the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event, whether or not insured by this Endorsement, contributing concurrently or in any other sequence to the Interruption of Business. This exclusion does not, however, apply to a substance when used in conjunction with a **Deadly Weapon Event**;

- d. physical loss of, physical damage to, or physical destruction of, any buildings, equipment or business personal property owned by the **Covered Party**, or any such property owned by others in the **Covered Party's** care, custody or control, whether or not resulting from or in connection with a **Deadly Weapon Event**;
- e. increase in loss caused by the suspension, lapse, or cancellation of any lease, license, contract, or order, unless such loss results directly from the covered Interruption of Business, and then **Preferred** shall be liable for only such loss as affects the **Covered Party's** earnings during, and limited to, the **Period of Indemnity** covered under this **Coverage Agreement**;
- f. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property at the **Location(s)**, except to the extent specifically covered by this Endorsement and provided that such loss results directly from the covered Interruption of Business;
- g. fines, penalties, or **Damages** incurred by, or imposed upon, the **Covered Party** at the order of any Government Agency, Court or other Authority, whether arising from or in connection with a **Deadly Weapon Event** or otherwise.
- h. confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority;
- i. criminal, dishonest, fraudulent or malicious conduct by the **Covered Party**;
- j. any explosive devices unless used in conjunction with a **Deadly Weapon Event**;
- k.
  - a. Any vehicle not defined as a **Road Vehicle**
  - b. Any weapon mounted (or designed to be mounted) on a vehicle;
  - c. Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone;
- l. the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system;
- m. any **Pollutant or Contaminant**, however such **Pollutant or Contaminant** may have been introduced or arisen;
- n. strikes, labor unrest, riots or civil commotion.

#### **LIMITATIONS**

**Preferred** shall not be liable for more than the smaller of either:

- a) any specific Business Interruption Sum Insured stated in the **Declarations**, or
- b) the Sum Insured stated in the **Declarations**, where such includes Business Interruption, if such is a combined limit, in respect of such loss, regardless of the number of **Location(s)** suffering an interruption of business as a result of any **Deadly Weapon Event** at such **Location(s)**.

#### **DEFINITIONS**

- 1. **Damages** mean a monetary judgement, monetary award or monetary settlement made by a Court. For the purpose of this insurance, **Damages** include punitive or exemplary **Damages**, sanctions or any additional **Damages** resulting from multiplication of compensatory **Damages**.

2. **Gross Earnings** mean:

- a. the total earnings derived from the operations of the **Covered Party's** business which the **Covered Party** would have earned during the **Period of Indemnity**, had there not have been a **Deadly Weapon Event**.
- b. the reasonable and necessary costs and expenses that the **Covered Party** incurs in using any property or service owned or controlled by the **Covered Party**, or obtainable from any other sources, all whether at the **Location(s)** of the **Covered Party** or at any other location, during the **Period of Indemnity** covered under this **Coverage Agreement**, due to a **Deadly Weapon Event** occurring during the **Agreement Period**.
- c. increase in **Gross Earnings** loss described in a. and b. above which arises from increased time to rebuild, repair or reinstate the property at the **Location(s)** of the **Covered Party** due to the operation of the minimum requirements of any laws, statutes, or ordinances regulating public safety, security, emergency preparedness, or disaster management which are imposed upon the Insured by order of any competent municipal, civil or governmental authority in connection with a **Deadly Weapon Event** occurring during the **Agreement Period**.

Less any charges and expenses which do not necessarily continue during the period of Interruption of Business.

In determining the amount of **Gross Earnings**, costs and expenses insured hereunder, for the purpose ascertaining the amount of actual loss sustained by the **Covered Party**, due consideration shall be given to the experience of the **Covered Party's** business prior to the date of a **Deadly Weapon Event** and the probable experience thereafter had no **Deadly Weapon Event** occurred.

No other costs shall be deducted in determining **Gross Earnings**.

3. **Normal** means the condition that would have existed but for the happening of a **Deadly Weapon Event**.

4. **Period of Indemnity** means a period of time not to exceed the lesser of:

- (a) such length of time as would be required, with the exercise of due diligence and dispatch, to enable the **Covered Party** to resume business operations at the same or equivalent operational capability that existed immediately prior to a **Deadly Weapon Event**, or
- (b) 365 days commencing with the date of such a **Deadly Weapon Event**, and not limited by the expiration of this insurance.

Such length of time described in (a) and (b) above shall include the time required with due diligence and dispatch to reinstate, rebuild, or replace the buildings, equipment and business personal property of the **Covered Party** at another site if required to do so by order of a competent municipal, civil or governmental authority and as a direct result of a **Deadly Weapon Event**.

**EXTENSION**

This Business Interruption Extension Endorsement is extended to include any such loss as covered by this Endorsement which is sustained by the **Covered Party** as a direct result of the necessary interruption of the **Covered Party's** business due to prevention of access to any **Location(s)** of the **Covered Party** by order of a civil or military authority, provided that such order is a sole and direct result of a **Deadly Weapon Event** occurring at such **Location(s)** and for a period of time not exceeding thirty (30) consecutive days from the date of such **Deadly Weapon Event**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DEMOLITION, CLEARANCE AND MEMORIALIZATION EXTENSION ENDORSEMENT

In consideration of the premium paid, and subject to the terms, conditions, exclusions and definitions of the Deadly Weapon Protection Coverage Form to which this Endorsement is attached and, in addition, to the terms, conditions, and exclusions stipulated in this Endorsement, this **Coverage Agreement** is extended to cover the reasonable and necessary costs, as described below, incurred by the **Covered Party** as a direct result of a **Deadly Weapon Event**, as defined by the Deadly Weapon Protection Coverage Form:

- 1) The costs incurred to demolish any portions of the building, structure, or detached outbuilding at the **Location(s)** of the **Covered Party** which has been the location of a **Deadly Weapon Event** covered under the Deadly Weapon Protection Coverage Form to which this Endorsement is attached, whether or not such building, structure or detached outbuilding has sustained physical loss or physical damage caused by the **Deadly Weapon Event**;
- 2) The costs incurred in the removal from the **Location(s)** of debris of such demolished building, structure or detached outbuilding, in the clearance of the site, and in the making good of the site as appropriate to the environment of the **Location(s)**.
- 3) The costs incurred to commission, acquire and install suitable memorial plaques, benches or similar articles in dedication to the victim(s) of the **Deadly Weapon Event**.

This Endorsement covers a **Deadly Weapon Event** that occurs during the **Agreement Period**. This Endorsement does not cover any **Deadly Weapon Event** that first takes place prior to the inception date of this coverage, nor any **Deadly Weapon Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage. The Important Notice: "This is a **Claims Made and Reported Coverage Agreement**" stipulated in the Deadly Weapon Protection Coverage Form to which this Extension is attached does not apply to this Demolition, Clearance, and Memorialization Costs Extension Endorsement. Similarly, any other terms in the Deadly Weapon Protection Coverage Form that make reference to **Claims-Made and Reported** basis and **Retroactive Date** do not apply to this Endorsement.

If a word is in boldface, please read the definitions clause of this Demolition, Clearance, and Memorialization Costs Extension Endorsement and the definitions section of the Deadly Weapon Protection Coverage Form to which this Endorsement is attached.

### LIMIT OF LIABILITY

**Preferred's** maximum liability for loss under this Endorsement shall not exceed the smallest of the following amounts:

- a) USD 250,000 in respect of each and every **Deadly Weapon Event** and not for more than USD 1,000,000 in the **Aggregate** during the **Agreement Period**. The limit of liability of this Extension is part of and not in addition to the Deadly Weapon Event Limit of Liability available as stated in PGIT MN-040.
- b) The amount(s) actually incurred by the **Covered Party** in accordance with the coverage provided by this Demolition, Clearance, and Memorialization Costs Extension Endorsement.

### EXCLUSION

This Demolition, Clearance, and Memorialization Costs Extension Endorsement does not insure loss which is otherwise covered by the Property Damage Extension Endorsement which is attached to and forms part of the Deadly Weapon Protection Coverage Form.

All other terms, conditions and exclusions of this **Coverage Agreement** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXTRA EXPENSE EXTENSION ENDORSEMENT

In consideration of the premium paid, and subject to the terms, conditions, exclusions and definitions of the Deadly Weapon Protection Coverage Form to which this Endorsement is attached and, in addition, to the terms, conditions, and exclusions stipulated in this Endorsement, this **Coverage Agreement** is extended to cover the reasonable and necessary **Extra Expense**, incurred by the **Covered Party** in order to continue as nearly as practicable the **Normal** conduct of the **Covered Party's** business following and as a direct result of a **Deadly Weapon Event**, as defined by the Deadly Weapon Protection Coverage Form.

In the event that a term, condition, or definition stipulated in this Endorsement conflicts with any term, condition, or definition contained in the Deadly Weapon Protection Policy, then such term, condition, or definition in this **Extra Expense** Extension Endorsement shall prevail.

This Endorsement covers a **Deadly Weapon Event** that occurs during the **Period of Insurance**. This Endorsement does not cover any **Deadly Weapon Event** that first takes place prior to the inception date of this insurance, nor any **Deadly Weapon Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this insurance. The Important Notice: "This is a **Claims Made and Reported Policy**" stipulated in the Deadly Weapon Protection Policy to which this Endorsement is attached does not apply to this **Extra Expense** Extension Endorsement. Similarly, any other terms in the Deadly Weapon Protection Policy that make reference to **Claims-Made and Reported** basis and **Retroactive Date** do not apply to this Endorsement.

If a word is in boldface, please read the definitions clause of this Endorsement and the definitions section of the Policy to which this Endorsement is attached.

### LIMIT OF LIABILITY

**Preferred's** maximum liability for loss under this Endorsement is USD 250,000 in respect of each and every **Deadly Weapon Event** and not for more than USD 1,000,000 in the **Aggregate** during the **Period of Insurance**. The limit of liability of this Extension is part of and not in addition to the Deadly Weapon Event Limit of Liability available as stated in PGIT MN-040.

### CONDITIONS

#### 1. **Deadly Weapon Event**

No claim shall be payable under this Endorsement unless a **Deadly Weapon Event**, insured under the Deadly Weapon Protection Policy to which this Endorsement is attached, and which gave rise to **Extra Expense**, has occurred.

#### 2. **Salvage**

At the end of the **Period of Restoration**, any salvage value remaining in property obtained for temporary use shall be taken into consideration in the determination of the amount of **Extra Expense** insured by this Endorsement.

#### 3. **Other Insurance**

This Policy will act as primary insurance to any other insurance carried by or available to the **Named Insured**.

#### 4. **Resumption of Operations**

The **Named Insured** must take all reasonable steps to resume business operations at the same or equivalent operational capability that existed prior to the **Deadly Weapon Event** causing **Extra Expense** to be incurred.

### EXCLUSIONS

This **Extra Expense** Endorsement does not insure against:

- a. nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused;
- b. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection; civil commotion assuming the proportions of, or amounting to, an uprising; military or usurped power;
- c. the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event, whether or not insured by this Endorsement, contributing concurrently or in any other sequence to the **Deadly Weapon Event**;
- d. physical loss of, physical damage to, or physical destruction of, any buildings, equipment or business personal property owned by the **Named Insured**, or any such property owned by others in the **Named Insured's** care, custody or control, whether or not resulting from or in connection with a **Deadly Weapon Event**;
- e. increase in **Extra Expense** caused by the suspension, lapse, or cancellation of any lease, license, contract, or order;
- f. increase in **Extra Expense** caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property at the **Location(s)**; fines, penalties, or **Damages** incurred by, or imposed upon, the **Named Insured** at the order of any Government Agency, Court or other Authority, whether arising from or in connection with a **Deadly Weapon Event** or otherwise.
- g. confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority;
- h. criminal, dishonest, fraudulent or malicious conduct by the **Named Insured**;
- i. any explosive devices unless used in conjunction with a **Deadly Weapon Event**;
- j.
  - (i) Any vehicle not defined as a **Road Vehicle**;
  - (ii) Any weapon mounted (or designed to be mounted) on a vehicle;
  - (iii) Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone;
- l. the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system;
- m. any **Pollutant or Contaminant**, however such **Pollutant or Contaminant** may have been introduced or arisen;
- n. strikes, labor unrest, riots or civil commotion
- o. loss of earnings or any other consequential loss.

#### **EXTENSION**

This **Extra Expense** Extension Endorsement is extended to include any such **Extra Expense** as a direct result of the necessary interruption of the **Covered Party's** business due to prevention of access to any **Location(s)** of the **Covered Party** by order of a civil or military authority, provided that such order is a sole and direct result of a **Deadly Weapon Event** occurring at such **Location(s)** and for a period of time not exceeding thirty (30) consecutive days from the date of such **Deadly Weapon Event**.

All other terms, conditions and exclusions of this policy remain unchanged.



## PUBLIC ENTITY

### CRIME COVERAGE PART DECLARATIONS

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

### SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE

Coverage is only provided for the coverages indicated by an X.

Coverage	Limit of Coverage	Deductible
<input checked="" type="checkbox"/> Employee Dishonesty Per Loss Coverage	\$100,000	\$1,000
<input checked="" type="checkbox"/> Forgery or Alteration Coverage	\$100,000	\$1,000
<input checked="" type="checkbox"/> Theft, Disappearance and Destruction Coverage – Inside	\$100,000	\$1,000
Outside	\$100,000	\$1,000
<input checked="" type="checkbox"/> Computer Fraud Coverage (Including Funds Transfer)	\$100,000	\$1,000

### FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of the coverage agreement at this time of issue:

See PGIT MN-002

Premium: \$ INCLUDED

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



## PUBLIC ENTITY

### GOVERNMENT CRIME COVERAGE FORM (DISCOVERY FORM)

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

Throughout this Coverage Agreement the words "you" and "your" refer to the named Covered Party shown in the Declarations. The words "we," "us" and "our" refer to the Trust providing this Coverage Agreement.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

#### A. Coverage Agreements

Coverage is provided under the following Coverage Agreements for which a Limit is shown in the Declarations:

##### 1. Employee Dishonesty - Per Loss Coverage

We will pay 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.

We will pay for loss caused to the Covered Party through the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property.

##### 2. Forgery or Alteration

a. We will pay for 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 are:

- (1) Made or drawn by or drawn upon you; or
  - (2) Made or drawn by one acting as your agent; or
- that are purported to have been so made or drawn.

b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Coverage applicable to this Coverage Agreement.

c. We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit" paper currency that is acquired during the regular course of business.

##### 3. Theft, Disappearance, and Destruction - Inside The Premises

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises" resulting directly from "theft," disappearance or destruction.

b. We will pay for 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. We will pay for 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.

##### 4. Theft, Disappearance, and Destruction - Outside The Premises

a. We will pay for 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.

- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery."

#### **5. Computer Fraud, including Funds Transfer**

We will pay for loss of or damage to "money," "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises."

#### **B. Limit Of Coverage**

The most we will pay for loss in any one "occurrence" is the applicable Limit of Coverage shown in the Declarations.

#### **C. Deductible**

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Coverage. In the event more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount may be applied.

#### **D. Exclusions**

- 1. This coverage does not apply to:

##### **a. Acts Committed By You**

Loss resulting from "theft" or any other dishonest act committed by you, whether acting alone or in collusion with other persons.

##### **b. Acts Of Officials, Employees Or Representatives**

Loss resulting from "theft" or any other dishonest act committed by any of your officials, "employees" or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Coverage Agreement A.1.

##### **c. Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

##### **d. Indirect Loss**

Loss that is an indirect result of any act or "occurrence" covered by this coverage including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money," "securities" or "other property."
- (2) 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 coverage.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this coverage.

- e. **Legal Expenses**  
Expenses related to any legal action, except when covered under Coverage Agreement **A.2.**
  - f. **Nuclear**  
Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
  - g. **War And Similar Actions**  
Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
2. Coverage Agreement **A.1.** does not apply to:
- a. **Bonded Employees**  
Loss caused by any "employee" required by law to be individually bonded.
  - b. **Employees Cancelled Under Prior Insurance**  
Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior coverage has been cancelled and not reinstated since the last such cancellation.
  - c. **Inventory Shortages**  
Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) An inventory computation; or
    - (2) 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.
  - d. **Trading**  
Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
3. Coverage Agreements **A.3.** and **A.4.** do not apply to:
- a. **Accounting Or Arithmetical Errors Or Omissions**  
Loss resulting from accounting or arithmetical errors or omissions.
  - b. **Exchanges Or Purchases**  
Loss resulting from the giving or surrendering of property in any exchange or purchase.
  - c. **Fire**  
Loss resulting from fire, however caused, except:
    - (1) Loss of or damage to "money" and "securities"; and
    - (2) Loss from damage to a safe or vault.
  - d. **Money Operated Devices**  
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.
  - e. **Motor Vehicles Or Equipment And Accessories**  
Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.
  - f. **Transfer Or Surrender Of Property**
    - (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
      - (a) On the basis of unauthorized instructions;
      - (b) As a result of a threat to do bodily harm to any person; or
      - (c) As a result of a threat to do damage to any property.

(2) But, this Exclusion does not apply under Coverage Agreement A.4. to loss of "money," "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

(a) Had no knowledge of any threat at the time the conveyance began; or

(b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**g. Vandalism**

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.

**h. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**4. Coverage Agreement A.5. does not apply to:**

**a. Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

**b. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

**c. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**E. Conditions**

The following conditions apply in addition to the Common Agreement Conditions:

**1. Conditions Applicable To All Coverage Agreements**

**a. Cancellation As To Any Employee**

This coverage is cancelled as to any "employee":

(1) Immediately upon discovery by:

(a) You; or

(b) Any official or employee authorized to manage, govern or control your "employees" who is not in collusion with the "employee";

of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

(2) On the date specified in a notice mailed to the first named Covered Party. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first named Covered Party's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

**b. Concealment, Misrepresentation Or Fraud**

This coverage is void in any case of fraud by you as it relates to this coverage at any time. It is also void if you or any other Covered Party, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This coverage;
- (2) The property covered under this coverage;
- (3) Your interest in the property covered under this coverage; or
- (4) A claim under this coverage.

**c. Discovery**

- (1) We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
  - (a) During the agreement period shown in the Declarations; or
  - (b) During the period of time provided in the Extended Period To Discover Loss Condition **E.1.f.**
- (2) Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this coverage has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a loss covered under this coverage.

**d. Duties In The Event Of Loss**

After you discover a loss or a situation that may result in loss of or damage to "money," "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Coverage Agreement **A.1.**) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Give us a detailed, sworn proof of loss within 120 days.
- (4) Cooperate with us in the investigation and settlement of any claim.

**e. Employee Benefit Plan(s)**

- (1) The employee benefit plan(s) shown in the Declarations are included as Covered Parties under Coverage Agreement **A.1.**
- (2) Any payment we make to you for loss sustained by any Plan will be held by you for the use and benefit of the Plan(s) sustaining the loss.
- (3) The Deductible Amount applicable to Coverage Agreement **A.1.** does not apply to loss sustained by any employee benefit plan(s) .

**f. Extended Period To Discover Loss**

- (1) We will pay for loss that you sustained prior to the effective date of termination or cancellation of this coverage, which is discovered by you no later than 60 days from the date of that termination or cancellation.
- (2) However, this extended period to discover loss terminates immediately upon the effective date of any other coverage obtained by you replacing in whole or in part the coverage afforded hereunder, whether or not such other coverage provides coverage for loss sustained prior to its effective date.

**g. Joint Covered Party**

- (1) If more than one Covered Party is named in the Declarations, the first named Covered Party will act for itself and for every other Covered Party for all purposes of this coverage. If the first named Covered Party ceases to be covered, then the next named Covered Party will become the first named Covered Party.

- (2) If any Covered Party or official of that Covered Party has knowledge of any information relevant to this coverage, that knowledge is considered knowledge of every Covered Party.
- (3) An "employee" of any Covered Party is considered to be an "employee" of every Covered Party.
- (4) If this coverage or any of its coverages is cancelled or terminated as to any Covered Party, loss sustained by that Covered Party is covered only if discovered by you during the period of time provided in the Extended Period To Discover Loss Condition E.1.f.  
However, this extended period to discover loss terminates as to that Covered Party immediately upon the effective date of any other coverage obtained by that Covered Party replacing in whole or in part the coverage afforded hereunder, whether or not such other coverage provides coverage for loss sustained prior to its effective date.
- (5) We will not pay more for loss sustained by more than one Covered Party than the amount we would pay if all the loss had been sustained by one Covered Party.

#### **h. Legal Action Against Us**

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this coverage;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 5 years from the date you discover the loss.

If any limitation is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

#### **i. Liberalization**

If we adopt any revision that would broaden the coverage under this coverage without additional premium within 45 days prior to or during the agreement period, the broadened coverage will immediately apply to this coverage.

#### **j. Loss Covered Under More Than One Coverage Of This Agreement**

If two or more coverages of this agreement apply to the same loss, we will pay the lesser of:

- (1) The actual amount of loss; or
- (2) The sum of the Limits of Coverage applicable to those coverages.

#### **k. Non-Cumulation Of Limit Of Coverage**

Regardless of the number of years this agreement remains in force or the number of premiums paid, no Limit of Coverage cumulates from year to year or agreement period to agreement period.

#### **l. Ownership Of Property; Interests Covered**

The property covered under this agreement is limited to property:

- (1) That you own or lease;
- (2) That you hold for others; or
- (3) For which you are legally liable.

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

#### **m. Records**

You must keep records of all property covered under this agreement so we can verify the amount of any loss.

#### **n. Recoveries**

- (1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this agreement will be distributed as follows:
  - (a) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Coverage and the Deductible Amount, if any;
  - (b) Then to us, until we are reimbursed for the settlement made; and

- (c) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

**(2) Recoveries do not include any recovery:**

- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (b) Of original "securities" after duplicates of them have been issued.

**o. Subrogation**

- (1) In the event of any payment under this Coverage Agreement, we shall be subrogated to all of your rights of recovery therefore against any person or organization, and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.
- (2) You shall not act (or fail to act, as the case may be) in any manner that will prejudice our subrogation rights.

**p. Territory**

This Coverage Agreement covers acts committed or events occurring within the United States of America (including its territories and possessions) and Puerto Rico.

**q. Valuation - Settlement**

**(1) Subject to Section B. Limit Of Coverage, we will pay for:**

- (a) Loss of "money" but only up to and including its face value.
- (b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
  - (i) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
  - (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
    - [1] Value of the "securities" at the close of business on the day the loss was discovered; or
    - [2] Limit of Coverage.

**(c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:**

- (i) The Limit of Coverage applicable to the lost or damaged property;
- (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
- (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

We will not pay on a replacement cost basis for any loss or damage:

- (iv) Until the lost or damaged property is actually repaired or replaced; and
- (v) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

**(2) Any property that we pay for or replace becomes our property.**

**2. Conditions Applicable To Coverage Agreement A.1.**

**a. Indemnification**

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through "theft" committed by "employees" who serve under them, subject to the applicable Limit of Coverage.

**b. Territory**

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition E.1.p. for a period of not more than 90 days.

**3. Conditions Applicable To Coverage Agreement A.2.**

**a. Deductible**

The Deductible Amount does not apply to legal expenses paid under Coverage Agreement A.2.

**b. Electronic And Mechanical Signatures**

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

**c. 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.

**d. Territory**

We will cover loss you sustain anywhere in the world. The Territory Condition E.1.p. does not apply to Coverage Agreement A.2.

**4. Conditions Applicable To Coverage Agreement A.4.**

**a. Armored Motor Vehicle Companies**

Under Coverage Agreement A.4., we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

**b. Special Limit Of Coverage For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

**5. Conditions Applicable To Coverage Agreement A.5.**

**a. Special Limit Of Coverage For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

**b. Territory**

We will cover loss you sustain anywhere in the world. The Territory Condition E.1.p. does not apply to Coverage Agreement A.5.

**F. Definitions**

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
3. "Custodian" means you or any "employee" while having care and custody of property inside the "premises," excluding any person while acting as a "watchperson" or janitor.
4. "Employee":
  - a. "Employee" means:
    - (1) Any natural person:
      - (a) While in your service or for 30 days after termination of service;
      - (b) Who you compensate directly by salary, wages or commissions; and
      - (c) Who you have the right to direct and control while performing services for you;

- (2) Any natural person who is furnished temporarily to you:
  - (a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
  - (b) To meet seasonal or short-term work load conditions;
 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) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is:
  - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan(s) covered under this agreement; and
  - (b) Your official while that person is handling "funds" or "other property" of any employee benefit plan(s) covered under this agreement;
- (5) Any natural person who is a former official, "employee," representative or trustee retained as a consultant while performing services for you; or
- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises."
- b. "Employee" does not mean any agent, independent contractor or representative of the same general character.
- 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. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction (other than those described in Coverage Agreement A.2.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- 7. "Funds" means "money" and "securities."
- 8. "Messenger" means you or any "employee" while having care and custody of property outside the "premises."
- 9. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
- 10. "Occurrence" means:
  - a. As respects Coverage Agreement A.1., all loss caused by, or involving, one or more "employees," whether the result of a single act or series of acts.
  - b. As respects Coverage Agreement A.4., all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

c. As respects all other Coverage Agreements:

- (1) An act or series of related acts involving one or more persons; or
- (2) An act or event, or a series of related acts or events not involving any person.

- 11. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this agreement.
- 12. "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 13. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
  - a. Caused or threatened to cause that person bodily harm; or
  - b. Committed an obviously unlawful act witnessed by that person.
- 14. "Safe burglary" means the unlawful taking of:
  - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - b. A safe or vault from inside the "premises."
- 15. "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;but does not include "money."
- 16. "Theft" means the unlawful taking of "money," "securities" or "other property" to the deprivation of the Covered Party.
- 17. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
  - a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - b. By means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- 18. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.



## PUBLIC ENTITY

### NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300** and the **GENERAL LIABILITY COVERAGE FORM, PGIT MN-200**

#### **I. The coverage does not apply:**

##### **A. Under any Liability Coverage, to "bodily injury" or "property damage":**

1. With respect to which a "Covered Party" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
2. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "Covered Party" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

##### **B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

##### **C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material," if:**

1. The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, a "Covered Party" or (b) has been discharged or dispersed therefrom;
2. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a "Covered Party"; or
3. The "bodily injury" or "property damage" arises out of the furnishing by a "Covered Party" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereof.

#### **II. As used in this endorsement:**

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "special nuclear material" or "by-product material";

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used to exposed to radiation in a "nuclear reactor;"

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

1. Any "nuclear reactor";
2. Any equipment or device designed or used for: (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing "spent fuel," or (c) handling, processing or package "waste";
3. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "Covered Party" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
4. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

And includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear Reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all form of radioactive contamination of property.



## PUBLIC ENTITY

### AUTOMATIC ADDITIONAL COVERED PARTIES

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

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300**, the **GENERAL LIABILITY COVERAGE FORM, PGIT MN-200** and the **PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104**

Where indicated by (X) below, coverage applies to the subdivision or an agency of the state of Florida as their interest may appear. The provisions in this endorsement do not supersede Florida Statute 768.28, Article 10 and 13 of the Florida Constitution, or any other Statute or law limiting whom a Public Entity can indemnify.

**X** **ADDITIONAL COVERED PARTY - BY CONTRACT, AGREEMENT OR PERMIT**

**SECTION I - WHO IS A COVERED PARTY** is amended to include any subdivision or agency of the state of Florida (hereinafter called Additional Covered Party) with whom the Covered Party agrees in a written "insured contract" to name as an Additional Covered Party, but only with respect to liability arising solely out of the Covered Party's operation, "your work" or facilities owned or used by the Covered Party.

The coverage afforded to the **Additional Covered Party** does not apply:

- (1) Unless the written "insured contract", agreement or permit was executed prior to the "bodily injury," "property damage," "personal injury" or "advertising injury;"
- (2) To any person(s) or organization(s) included as a **Covered Party** under this coverage agreement or by an endorsement made part of this coverage agreement.

**X** **ADDITIONAL COVERED PARTY - OWNERS OF LEASED EQUIPMENT**

**SECTION II - WHO IS A COVERED PARTY** is amended to include any subdivision or an agency of the state of Florida (hereinafter called Additional Covered Party) with whom the Covered Party agrees in a written "insured contract", for the lease or rental of equipment, to name as an Additional Covered Party, but only with respect to liability arising out of the sole negligence of the Covered Party, and only while such equipment is in the care, custody or control of the Covered Party, or any employee or agent of the Covered Party.

The coverage afforded to the **Additional Covered Party** does not apply to:

- (1) "Bodily injury" or "property damage" occurring after you cease to lease or rent the equipment;
- (2) "Bodily injury" or "property damage" arising out of any negligence of the **Additional Covered Party**;
- (3) Structural alterations, new construction or demolition operations performed by or on behalf of the **Additional Covered Party**;
- (4) Liability assumed by the **Additional Covered Party** under any contract or agreement;
- (5) "Property damage" to:
  - (a) Property owned, used, occupied by, or rented to the **Additional Covered Party**;
  - (b) Property in the care, custody or control of the Additional Covered Party or its employees or agents, or of which the **Additional Covered Party**, its employees or agents are for any purpose exercising physical control.

**X ADDITIONAL COVERED PARTY - MANAGERS OR LESSORS OF PREMISES**

**SECTION II - WHO IS A COVERED PARTY** is amended to include any subdivision or an agency of the state of Florida (hereinafter called Additional Covered Party) with whom the Covered Party agrees in a written "insured contract" to name as an Additional Covered Party, but only with respect to liability arising solely out of the "premises" leased to the Covered Party by such subdivision or agency of the state of Florida.

The coverage afforded to the **Additional Covered Party** does not apply to:

- (1) "Bodily injury" or "property damage" occurring after the **Covered Party** cease to be a tenant in that "premises";
- (2) "Bodily injury" or "property damage" arising out of any negligence of the **Additional Covered Party**;
- (3) Structural alterations, new construction or demolition operations performed by or on behalf of the **Additional Covered Party**;
- (4) Liability assumed by the **Additional Covered Party** under any contract or agreement;
- (5) "Property damage" to:
  - (a) Property owned, used, occupied by, or rented to the **Additional Covered Party**;
  - (b) Property in the care, custody or control of the **Additional Covered Party** or its employees or agents, or of which the **Additional Covered Party**, its employees or agents are for any purpose exercising physical control.

**Notwithstanding any other provision of this agreement, this endorsement extends coverage to an Additional Covered Party, only in the event that said entity is a subdivision or agency of the state of Florida, within the contemplation of Section 768.28, Florida Statutes, and entitled to the privileges, immunities and protections afforded by said statute.**



## PUBLIC ENTITY

### SELF INSURED RETENTION SCHEDULE AND ENDORSEMENT

COVERED PARTY: ZZZ, Town of

AGREEMENT NO.: PK2 FL1 TESTMUN2 19-19

#### SELF INSURED RETENTION SCHEDULE

The Coverage Limits shown on the Declarations Pages and/or General Change Endorsement/s will apply excess of the "Self Insured Retention" when indicated with an "X" below. If this Coverage form contradicts any other Coverage form, this form becomes primary for those incidents of conflict.

The "Self Insured Retention" shall not be part of and is in addition to the Coverage Limits shown on the Declarations Pages and/or General Change Endorsement/s, and shall not reduce said Coverage Limits, when indicated with an "X" below.

<input type="checkbox"/>	PROPERTY		Each Occurrence
<input type="checkbox"/>	INLAND MARINE		Each Occurrence
<input type="checkbox"/>	CRIME		Each Occurrence
<input checked="" type="checkbox"/>	GENERAL LIABILITY (includes Employee Benefits)	\$200,000 SIR	Per Occurrence
<input checked="" type="checkbox"/>	LAW ENFORCEMENT LIABILITY	\$100,000 SIR	Per Occurrence
<input checked="" type="checkbox"/>	PUBLIC OFFICIALS LIABILITY	\$50,000 SIR	Each Claim
<input checked="" type="checkbox"/>	EMPLOYMENT PRACTICES LIABILITY	\$50,000 SIR	Each Claim
<input checked="" type="checkbox"/>	AUTOMOBILE LIABILITY	\$100,000 SIR	Per Accident
<input type="checkbox"/>	AUTOMOBILE PHYSICAL DAMAGE – COMP		Each Accident
<input type="checkbox"/>	AUTOMOBILE PHYSICAL DAMAGE – COLL		Each Accident
<input checked="" type="checkbox"/>	EXCESS WORKERS COMPENSATION	\$50,000	Each Occurrence

In the event that an occurrence, claim, offense or wrongful act continues beyond the coverage period, the applicable deductible would apply separately to each coverage period in which the occurrence, claim, offense, or wrongful act was committed or was alleged to have been committed.

#### CLAIMS

- A. Your Claims Handling Duties.** It is your responsibility to investigate, settle, defend and appeal any claim made against you for coverages indicated above. It is also your responsibility to investigate, settle, defend and appeal any suit brought or other proceedings instituted against you.

You shall have the obligation to pursue a reasonable settlement and accept any reasonable offer of settlement of any such claim, suit, or other proceedings. You shall use diligence and prudence to settle all such claims, suits, or other proceedings which in the exercise of sound judgment should be settled. However, you shall not make or agree to any settlement for any sum in excess of the Self Insured Retention without the approval of the Trust. In the event of your failure to comply with this paragraph, the Trust shall owe no duty to indemnify you for any loss, cost, or expense paid by you in excess of your Self Insured Retention.

**B. Your Claims Reporting Duties.** It is important for you to understand that "Written Notice" shall contain complete details of the allegation, claim, injury, or death. Providing loss runs does not constitute notice.

1. You must report all claims for coverages on a Claims Made basis on your "self insured retention" immediately.
2. You must give us written notice as soon as you learn of any loss which exceeds, or might in the future exceed, 50% of your "self insured retention."
3. You must give us immediate (within 14 days) written notice of any accident involving:
  - a. Death
  - b. Head injuries involving brain damage
  - c. Quadriplegia, paraplegia or paralysis
  - d. Amputation of a major body member
  - e. Loss of vision or any other senses
  - f. Rape and/or serious physical assault
  - g. Massive internal injuries affecting body organ or organs.
  - h. HIV related issues
  - i. Third degree burns - covering 20% of the body; or Second degree burns - covering 30% of the body
  - j. Heart attack claims
  - k. Class action, violation of civil rights, discrimination
  - l. Environmental claims involving pollution, contamination, toxic chemicals, radiation or asbestos
  - m. All workers' compensation employer liability claims
  - n. Any claim that is going to trial, regardless of the exposure
  - o. Multiple claims arising out of an occurrence
  - p. Losses involving coverage questions
  - q. Losses where there is a demand for monies in excess of the "self insured retention"
  - r. All claims asserting a wrongful employment practice
  - s. Sexual Abuse or Sexual Harassment
  - t. Permanent Total Disability
  - u. Disabilities for a period of six (6) months or more

**C. Claims Information.** You agree to send to us any claims information which we may request. You agree to submit a claim status update for all claims to us on a quarterly basis.

**D. Claims Participation By Us.** Whenever an action or claim is asserted against any "Covered party" that may involve our liability under the Coverage Agreement, the "Covered party" shall keep us regularly apprised of the status and developments concerning the action or claim. The Trust shall not be required to furnish a reservation of rights (either in writing or verbally) to a "Covered party" with respect to the action or claim unless and until we determine in our reasonable opinion that payment of combined insured damages and insured allocated costs and expenses will exhaust, per "occurrence", "accident", offense, or "Wrongful Act", the self-insured retention or we give written notice that we have assumed the defense of the action or claim against the "Covered party". This paragraph does not alter any other notification or reporting requirements on behalf of any "Covered party" as provided elsewhere in the Coverage Agreement.

- E. Change of Claim Handling Agency.** The Covered Party shall obtain our direct written consent to change, or end, a "third party administrator's" services. This provision also applies subsequent to the term of this Coverage Agreement.
- F. Appeal.** We have the right to appeal any judgment that results in a verdict when the verdict is equal or greater than the Covered Party's "self insured retention."
- G. Proof of Loss.** When paid loss exceeds your retention, you must provide us with a payment register listing all payments made on the claim. We will reimburse you the eligible amount you have paid in excess of your retention, within 30 days of receiving a form acceptable to us, a complete and proper proof of loss.
- H. Claim Audit.** You will let us or our representative examine and audit claim files upon our request. These audits may be conducted during your regular business hours.

## **DEFINITIONS**

### **A. Allocated Claims Expenses**

"Allocated claims expense" means expenses incurred in connection with the investigation of "occurrences," adjustment of claims and defense and settlement or trial of "suits." "Allocated claims expenses" include, but are not limited to, payments for attorneys, law firms, doctors, experts, appraisers, photographers, adjusters, investigators, printers, stenographers, costs of appeal bonds and pre and post judgment interest. "Allocated claims expense" does not include any salaries or fees paid to the "third party administrator," or salaries or wages of any regular full time or part time employee of the Covered Party.

### **B. Self Insured Retention**

The "self insured retention" means that sum or sums indicated in the Coverage Declarations and general endorsements or the Self Insured Retention Schedule, which the Covered Party shall pay:

1. For settlement or satisfaction of claims, "suits" or judgments, after making deductions for all salvages and recoveries; plus
2. "Allocated claims expenses."

The "self insured retention" shall be paid by the Covered Party prior to any obligation on the part of us.

### **C. Third Party Administrator**

"Third party administrator" means the independent organization that provides claims services under contract to you.



Professionally administered by Public Risk Underwriters of Florida



Public  
Risk  
Underwriters

*Insurance Solutions for Public Entities*



**AmeriSys**★

## Public Risk Underwriters of Florida

**PRU of FL is the administrator for Preferred and oversees the day to day operations of the Trust. PRU of FL provides underwriting, loss control, marketing and accounting services.**

### Contact:

- Underwriting - Margaret Gross 321-832-1506
- Operations - Jennifer Martin 321-832-1691
- Marketing - Kurt Heyman 321-832-1455

## AmeriSys

**AmeriSys provides superior medical management programs which focus on getting employees back to work and reducing costs. AmeriSys works closely with PGCS from the onset of the claim for a seamless claim process.**

### AmeriSys Services:

- Field Nurse Case Management
- Telephonic Nurse Case Management
- Cost Containment/ Medical Bill Review
- Provider Network Access
- Pharmacy Benefit Management Services
- Cardiac Care Badge Program

Contact: Jon Barro Salas, Program Manager  
321-832-1709/ [jbarrosalas@pgcs-tpa.com](mailto:jbarrosalas@pgcs-tpa.com)

## Preferred Governmental Claims Services

**Preferred's claims administrator is PGCS. With more than 25 years of claims experience, PGCS is Florida's foremost governmental third-party administration company. The cornerstones of our claims administration are communication, quick access and sound return-to-work policies.**

### Report a Preferred Claim

#### Workers' Compensation:

- Phone: 800-237-6617 (24/7 claim reporting)
- Fax: 321-832-1448
- Online: [www.pgcs-tpa.com](http://www.pgcs-tpa.com) (registration required)
- Email: [WCclaims@pgcs-tpa.com](mailto:WCclaims@pgcs-tpa.com)

#### Liability & Property:

- Phone: 800-237-6617
- Fax: 321-832-1448
- Online: [www.pgcs-tpa.com](http://www.pgcs-tpa.com) (registration required)
- Email: [Liabilityclaims@pgcs-tpa.com](mailto:Liabilityclaims@pgcs-tpa.com)
- Hurricane claims: [Hurricane@pgcs-tpa.com](mailto:Hurricane@pgcs-tpa.com)

Engle Martin works closely with PGCS to provide field adjusting services on all property claims.

**Report Worker's Compensation Fraud:** PGCS maintains a Special Investigative Unit (SIU) to pursue fraudulent claims. All calls are strictly confidential.

- Phone: 866-887-7427

### Deadly Weapon Event: 24 hr. Crisis Management Response

860-677-3790 - CrisisRisk Strategies LLC

## Loss Control Services Provided by Public Risk Underwriters of Florida

**As a Member of Preferred you are encouraged to take advantage of the many Loss Control and Risk Management services available to you at no cost. We provide onsite consultations, onsite training, the Preferred TIPS Matching Grant program, an online training platform with over 600 courses available and a streaming video library with over 600 easy to access training videos. If you have any questions regarding any kind of safety, loss control and/ or risk management issue, please do not hesitate to contact your Preferred Loss Control Consultant.**

**Southeast Region:** Chris Kittleson, Director of Loss Control Technical Services / Cell: 321-525-0353 / email: [ckittleson@publicrisk.com](mailto:ckittleson@publicrisk.com)

**Southwest Region:** Pam Hancock, Senior Safety & Risk Management Consultant/ Cell: 321-960-3432/ email: [phancock@publicrisk.com](mailto:phancock@publicrisk.com)

**Panhandle & Central Region:** Mike Marinar, Director of Member Services/ Cell: 407-724-6858/ Office: 321-832-1473/ email: [mmarinar@publicrisk.com](mailto:mmarinar@publicrisk.com)

**Support:** Mike Stephens, Senior Loss Control Specialist/ Office: 321-832-1658/ email: [mstephens@publicrisk.com](mailto:mstephens@publicrisk.com)

**Tab 7**  
**Workers' Comp Specimen**



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
INFORMATION PAGE**

Coverage Provider:  
Preferred Governmental Insurance Trust  
P. O. Box 958455  
Lake Mary, FL 32795-8455  
(Carrier Code: 38849)

Producer:

Agreement No.: ZC FL1 TESTMUN 17-01  
Prior Agreement No.: ZXS WC Test

**1. Named Covered Party:** ZZZ, Town of

Mailing Address: 1234 Main St  
Somewhere, FL 33706

Other workplaces not shown above:

**SEE SCHEDULE OF OPERATIONS**

Fein:

Risk ID: 599999999

Type of Business: Municipality

**2.** The agreement period is from 12:01 am on 10/01/2016 to 12:01 am on 10/01/2017 at the insured's mailing address.

**3. A.** Workers Compensation Coverage: Part One of the Coverage Agreement applies to the Workers Compensation Law of the states listed here:  
FL

**B.** Employers Liability Coverage: Part Two of the Coverage Agreement applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident \$1,000,000 each accident

Bodily Injury by Disease \$1,000,000 policy limit

Bodily Injury by Disease \$1,000,000 each employee

**C.** Other States Coverage:

**D.** This Coverage Agreement includes these endorsements and schedules:  
See PGIT WC 002

**4.** The premium for this Coverage Agreement will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

**SEE SCHEDULE OF OPERATIONS**

Total Estimated Annual Premium \$45,457.00

Annual Minimum Premium \$4,000.00

Expense Constant \$200.00

PGIT WC 001(10 06)

Countersigned by



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
FORMS LIST**

<b>Named Covered Party:</b> ZZZ, Town of 1234 Main St Somewhere, FL 33706	<b>Coverage Provider</b> Preferred Governmental Insurance Trust P. O. Box 958455 Lake Mary, FL 32795-8455
<b>Agreement No.:</b> ZC FL1 TESTMUN 17-01	<b>Carrier No.</b> 38849
<b>Form Name</b>	<b>Form Number</b>
Information Page	PGIT WC 001 (10 06)
Forms List	PGIT WC 002 (07 10)
Schedule of Operations	PGIT WC 003 (10 06)
Coverage Terms	PGIT WC 004 (07 10)
Schedule of Operations - Other Workplaces	PGIT WC 005 (10 06)
Premium Discount Endorsement	PGIT WC 006 (10 06)
Contingent Experience Rating Modification Factor Endorsement	PGIT WC 007 (10 06)
Notification of Change in Ownership Endorsement	PGIT WC 008 (10 06)
Florida Employment and Wage Information Release Endorsement	PGIT WC 009 (10 06)
Florida Benefits Deductible Endorsement	PGIT WC 010 (07 11)
PGIT WC 002 (07 10)	07/26/2017



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
SCHEDULE OF OPERATIONS**

<b>Named Covered Party:</b> ZZZ, Town of 1234 Main St Somewhere, FL 33706	<b>Coverage Provider</b> Preferred Governmental Insurance Trust P. O. Box 958455 Lake Mary, FL 32795-8455																														
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<b>*****PREMIUM INFORMATION FOR FL*****</b>																															
<table border="1"><thead><tr><th>Code</th><th>Classification</th><th>Payroll</th><th>Rate</th><th>Premium</th></tr></thead><tbody><tr><td>7520</td><td>WATERWORKS OPERATIONS</td><td>\$250,000</td><td>4.39</td><td>\$10,975</td></tr><tr><td>7704</td><td>FIREFIGHTERS &amp; DRIVERS</td><td>\$400,000</td><td>5.44</td><td>\$21,760</td></tr><tr><td>7720</td><td>POLICE OFFICERS &amp; DRIVERS</td><td>\$500,000</td><td>4.15</td><td>\$20,750</td></tr><tr><td>8810</td><td>CLERICAL</td><td>\$500,000</td><td>0.23</td><td>\$1,150</td></tr><tr><td>9410</td><td>MUNICIPAL NOC</td><td>\$200,000</td><td>2.29</td><td>\$4,580</td></tr></tbody></table>	Code	Classification	Payroll	Rate	Premium	7520	WATERWORKS OPERATIONS	\$250,000	4.39	\$10,975	7704	FIREFIGHTERS & DRIVERS	\$400,000	5.44	\$21,760	7720	POLICE OFFICERS & DRIVERS	\$500,000	4.15	\$20,750	8810	CLERICAL	\$500,000	0.23	\$1,150	9410	MUNICIPAL NOC	\$200,000	2.29	\$4,580	
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07/26/2017																															



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
SCHEDULE OF OPERATIONS**

**Named Covered Party:**

ZZZ, Town of  
1234 Main St  
Somewhere, FL 33706

**Coverage Provider**

Preferred Governmental Insurance Trust  
P. O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement No.:** ZC FL1 TESTMUN 17-01

**Carrier No.** 38849

Manual Premium		\$59,215
Deductible/Coinsurance		\$4,382
Safety Program	2.00%	\$1,097
Drug Free Workplace	5.00%	\$2,687
Experience Modification - Listed Below		\$49,007
Schedule Adjustment		\$0
Standard Premium		\$49,007
Premium Discount	7.25%	\$3,550
Normal Premium		\$45,457
Expense Constant		\$200
Annual Premium		\$45,657

Experience Modifiers 0.960000 10/01/2016



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
COVERAGE TERMS**

<b>Named Covered Party:</b> ZZZ, Town of 1234 Main St Somewhere, FL 33706	<b>Coverage Provider</b> Preferred Governmental Insurance Trust P. O. Box 958455 Lake Mary, FL 32795-8455
<b>Agreement No.:</b> ZC FL1 TESTMUN 17-01	<b>Carrier No.</b> 38849

**COVERAGE TERMS**

**1. Rights and Duties of the Fund**

The Fund has the right and duty to defend, at the Fund's expense, any claim, legal proceeding or suit against a Member for benefits payable under this Agreement, and the Fund has the right to investigate and settle such claims, legal proceedings or suits. The Fund, however, has no duty to defend a claim, legal proceedings or suit that is not covered by this Agreement and its excess carriers, nor to defend or continue to defend the Fund or its Members after the Fund have paid its applicable limit of liability under the coverages involved.

**2. Expenses Payable by the Fund**

In addition to other amounts payable under this Agreement, the Fund will pay, as part of any claim, proceeding or suit the Fund defends:

- reasonable expenses incurred at the Fund's requests, exclusive of loss of earnings;
- premiums for bonds to release attachments and for appeal bonds in amounts up to the amounts payable under this Agreement;
- all litigation costs taxed against a Member;
- interest on a judgment as required by law until the Fund offers the amount due under this Agreement; and
- any other reasonable and necessary expenses the Fund incurs.

**3. The Fund's Right of Subrogation**

- In the event of payment under this Agreement, the Member shall be subrogated to all of the Fund's rights of recovery therefore against any person or organization, and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.
- The Member shall not act (or fail to act, as the case may be) in any manner that will prejudice the Fund's subrogation rights.

**4. Workers' Compensation Coverage Provided by the Fund**

The workers' compensation statutory coverages provided by the Fund cover bodily injury, including death by accident or disease, subject to the Florida Workers' Compensation Law and as follows:

- Time of Occurrence.** A bodily injury is covered only if such injury occurs during the coverage period. A bodily injury by disease must be directly caused by the conditions of an Employee's employment, and the Employee's last date of last exposure to the conditions causing or aggravating such injury and/or disability by disease must occur during the coverage period.
- Payment.** The Fund will promptly pay when due the benefits required by the Florida Workers' Compensation Law.
- Conditions.** Bodily injury, including death, is covered only if
  - it arises out of, and in the course and scope of, the Employee's employment by a Member; and
  - the employment is necessary or incidental to the Employee's work within the State of Florida.

## 5. Employer's Liability Coverage Provided by the Fund

This employer's liability coverage applies to bodily injury, including death, by accident or disease subject to the following:

- a) **Time of Occurrence.** A bodily injury is covered only if such injury occurs during the coverage period. A bodily injury by disease must be directly caused by the conditions of an Employee's employment, and the Employee's last date of last exposure to the conditions causing or aggravating such injury and/or disability by disease must occur during the coverage period.
- b) **Payment.** The Fund will pay all sums a Member legally must pay as damages because of bodily injury to a Member's Employees, provided the injury is covered by this Employer's liability coverage.
- c) **Conditions.** Bodily injury, including death, is covered only if
  1. it arises out of, and in the course and scope of, the Employee's employment by a Member; and
  2. the employment is necessary or incidental to Employee's work within the State of Florida.
- d) **Damages.** The damages the Fund will pay, where recovery is permitted by law, include damages:
  1. for which a Member is liable to a third party by reason of a claim or suit against a Member by that third party to recover the damages claimed against such Member as a result of injury to an Employee;
  2. for care and loss of services;
  3. for consequential injury to a spouse, child, parent, brother or sister of the injured Employee, provided that these damages arise out of and in the course and scope of the injured Employee's employment by a Member; and
  4. claims against a Member in a capacity other than as employer resulting from injury to a Member's Employee that arises out of and in the course and scope of employment.
- e) **Limitation of Liability**

The Fund's liability to pay for damages is limited to the amounts shown on the Information Page. They apply as follows:

  1. Bodily Injury by Accident. The limit shown for "Bodily Injury by Accident-each accident" is the most the Fund will pay for all damages covered by this Agreement because of bodily injury to one or more Employees in any one accident.
  2. Bodily Injury by Disease. The limit shown for "Bodily Injury by disease-policy limit" is the most the Fund will pay for all damages covered by this Agreement and arising out of bodily injury by disease regardless of the number of Employees who sustain bodily injury by disease. The limit shown for "Bodily Injury by disease-each employee" is the most the Fund will pay for all damages because of bodily injury by disease to any one Employee. Bodily injury by disease does not include disease that results directly from bodily injury by accident.
  3. The Fund will not pay any claims for damages after the Fund has paid the applicable limit of its liability under this Agreement.

## 6. Exclusions, this coverage does not apply to:

- a) liability assumed under a contract, except with regard to a warranty that a Member's work will be done in a workmanlike manner;
- b) punitive or exemplary damages;
- c) bodily injury to an Employee while employed in violation of law by a Member's executive officers;
- d) any obligation imposed by workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- e) bodily injury intentionally caused or aggravated by a Member, its officers, directors, or other persons serving in a supervisory capacity or which is the result of your engaging in conduct equivalent to an intentional tort; however defined, or other tortuous conduct, such that you lose your immunity from civil liability under the workers compensation laws;
- f) bodily injury, including death, occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to, or death of, a citizen or resident of the United States of America or Canada who is temporarily outside these countries if such death or injury arises out of, and in the course and scope of, the employee's employment by a Member;
- g) damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee or any personnel practices, policies, acts or omissions;
- h) bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other

federal works or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;

- i) bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60) any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course and scope of employment, or any amendments to those laws;
- j) bodily injury to a master or member of the crew of any vessel;
- k) fines or penalties imposed for violation of federal or state law; and
- l) damages payable under the Migrant and Seasonal Agricultural Workers' Compensation Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulation issued there under, and any amendments to those laws.

**7. Conditions. There will be no right of action against the Fund under this Agreement unless:**

- a) the Member has complied with all the terms of this Agreement; and
- b) the amount the Member owes has been determined with the Fund's consent or by actual trial and final judgment. This coverage does not give anyone the right to add the Fund as a defendant in an action against a Member to determine the Member's liability.

**8. Duties of Members**

Each Member is obligated to:

- a) pay premiums when due and as determined by the Fund including allowing the Fund or its designated agents access to information necessary to determine the final premium;
- b) allow the Fund or the Administrator to visit its workplace(s) for purposes of assisting Members in operating in a manner which has the potential to result in lower premium rates; and
- c) to provide a safe workplace as defined by applicable law or the Fund.

Each Member is responsible for any payments in excess of the benefits regularly required by the Florida Workers' Compensation Law, including those required as a result of:

- a) a Member's willful or grossly negligent misconduct;
- b) a Member's employing an Employee whose employment is in violation of any local, state or federal law;
- c) a Member failing to comply with a health or safety law or regulation; or
- d) a Member discharging, threatening to discharge, coercing or otherwise discriminating against any Employee in violation of the Florida Workers' Compensation Law, or any other local, state or federal law. A Member shall promptly reimburse the Fund for any payments made on a Member's behalf, in excess of the benefits regularly provided by such law.

If injury occurs to one of the Member's Employees entitled, or potentially entitled, to benefits under this Agreement, the Member shall:

- a) provide for immediate medical and other services required by applicable law;
- b) promptly provide the Fund, the Administrator or its agents with the names and addresses of the injured persons and witnesses, and other information the Fund may need or require;
- c) provide the Fund the Administrator or its agents with all notices, demands and legal papers related to the injury, claim, proceeding or suit;
- d) cooperate with the Fund and assist the Fund, as the Fund may reasonably request, in the investigation, settlement or defense of any claim, proceeding or suit. No Member shall interfere with the Fund's right to recover payments from others nor shall any Member voluntarily make payments, assume obligations or incur expenses, except at the Member's own cost.

**9. Workplace Access**

The Fund has the right, but is not obligated, to inspect a Member's workplace at any time. The Fund's inspections are not safety inspections and they relate only to the insurability of the workplaces and the premiums to be charged for workers' compensation. The Fund may provide a Member with reports on the findings of such inspections, and the Fund may also recommend changes that are calculated to reduce risk and which reduce premium. The Fund does not undertake to perform the duty of any person to provide for the health or safety of a Member's Employees or the public. The Fund does not warrant that a Member's workplace is safe or healthful or that it complies with law, regulations, codes or standards. Consequently, neither the Fund nor the Administrator shall be held liable to any person as a direct or indirect result of safety reviews or inspections conducted under this provision. If the coverage period is longer than one year, all provisions regarding coverage will apply as though a new agreement were entered into on each annual anniversary that this Agreement is in force.

## 10. Coverage Definitions

- a) **Claims Expense** means the litigation cost, interest required by law on awards or judgments and claims investigation or legal expense which can be directly allocated to a specific claim. Claim expenses excludes: salaries and travel expenses of employees, annual retainers, overhead and any fees paid for claims administration.
- b) **Loss** means the amount actually paid by the Fund for regular benefits provided under the workers' compensation law in effect upon the date the accident or diseases exposure occurs. Loss includes:
  - 1. The amount paid by the Fund in settlement of claims for regular benefits under the workers' compensation law;
  - 2. The amount paid by the Fund in satisfaction of awards or judgments for regular benefits under the workers' compensation law;
  - 3. Court Costs, interest upon awards and judgments, and allocated investigation, adjustment and legal expenses pertaining to workers' compensation claims. This subparagraph 3 does not include:
    - a) salaries paid to the Member's employees;
    - b) service company fees;
    - c) claims administrator fees.
- c) **Occurrence**
  - 1. Means each occurrence or series of occurrences arising out of any one event.
  - 2. An occurrence is deemed to end 72 hours after the event commences. Each subsequent 72 hours is deemed to be a separate occurrence.
- d) **Workers' Compensation Law** includes occupational disease law. It includes any amendments to that law which are in effect during the term of the coverage agreement. It does not include the provisions of any law that provides non-occupational disability benefits.

## PREMIUM CONTRIBUTION

Each Member shall be individually responsible for paying premiums as provided herein. All premiums for the coverage described in this Agreement will be determined by the Fund's rules, rates, rating plans and classifications. The Fund may change its rules, rates, rating plans and classifications and apply the changes to this coverage.

### 1. Classifications

The Information Page shows the rate and premium basis for applicable work classifications. A Member's classification is assigned based on an estimate of the exposures of the Member during the coverage period. If the Member's actual exposures are not properly described by those classifications, the Fund will assign proper classifications, rates and premium basis with notification to the Member.

### 2. Premium

Premium for each classification is determined by multiplying a rate by a premium basis. Remuneration is the most common premium basis. This premium basis includes a payroll and all other remuneration, as defined by applicable Florida Workers' Compensation Law, paid or payable during the applicable period for the services of:

- a) all the Member's Employees engaged in work coverage by this Agreement; and
- b) all other persons engaged in work that could make the Fund liable for the workers' compensation coverage provided by this Agreement. If the Member does not have the payroll records for these persons, the contract price may be used as a premium basis. This paragraph (b) will not apply if the Member gives the Fund proof that the employers of these persons lawfully secured their workers' compensation obligations.

### 3. Payment

Members shall pay all premiums when due. Failure to properly and timely pay premiums will result in appropriate legal action by the Fund. Should a legal cause of action be filed to collect premiums due, it is agreed that proper venue is the county in which the office of the Administrator is located.

#### **4. Final Premium Determination**

The premium shown on the Information page, premium summary, schedules, and endorsements is an estimate. The final premium will be determined after each coverage period ends by using the actual premium basis, proper classifications, experience modifications and rates that lawfully apply to the Member covered by this Agreement. If the final premium is more than the premium a Member has paid to the Fund, the Member must pay the Fund the balance. If the final premium is less than the premium a Member has paid to the Fund, the Fund will refund or credit the balance to the Member. The final premiums will not be less than the highest minimum premium for the governing classification covered by this Agreement. If this Agreement is canceled, final premium will be determined subject to the applicable Florida Workers' Compensation Law.

#### **5. Records**

The Member will keep records needed to compute premium and will provide the Fund with copies of those records upon request. Additionally, the Member will permit the Fund to examine and audit all of the Member's records that relate to this Agreement, including ledgers, journals, payroll and disbursement records, and programs for storing and retrieving data. The Fund may conduct the audits during regular business hours during the coverage period and within three years after the coverage period ends. Information developed by audit will be used to determine the final premium. The Administrator as well as insurance rate service organizations have the same rights as the Fund under this provision.

#### **6. Member's Continuing Obligation to Pay Premiums**

A Member's failure to pay the full amount of a premium that is due shall be default of their obligation under this Agreement. The default of any Member, or group of Members, shall not relieve any other Member of its obligation to pay premiums as they become due.

In the event of a Member's default, the Board of Trustees or the Administrator may take any lawful action to protect the Fund from loss. If suit is brought against the defaulting Member, the defaulting Member shall be liable to the Fund for the costs of collection, including but not limited to audit costs, court costs and attorneys' fees. The Board of Trustees, or the Administrator acting under the Administrative Agreement, may terminate a defaulting Member.



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
SCHEDULE OF OPERATIONS - OTHER WORKPLACES**

<b>Named Covered Party:</b> ZZZ, Town of 1234 Main St Somewhere, FL 33706	<b>Coverage Provider</b> Preferred Governmental Insurance Trust P. O. Box 958455 Lake Mary, FL 32795-8455
<b>Agreement No.:</b> ZC FL1 TESTMUN 17-01	<b>Carrier No.</b> 38849

**OTHER WORKPLACES**



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
PREMIUM DISCOUNT ENDORSEMENT**

**Named Covered Party:**

ZZZ, Town of  
1234 Main St  
Somewhere, FL 33706

**Coverage Provider**

Preferred Governmental Insurance Trust  
P. O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement No.:** ZC FL1 TESTMUN 17-01

**Carrier No.** 38849

The premium for this Coverage Agreement and the Agreements, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in item 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

**Schedule**

**Estimated Eligible Premium**

1. <u>State</u>	First	Next	Next	Balance
FL	\$10,000	\$190,000	\$1,550,000	
	-	9.1%	11.3%	12.3%

2. Average percentage discount:

3. Other coverage agreements:

4. If there are no entries in items 1, 2, and 3, of the Schedule see the Premium Discount Endorsement attached to your Agreement number:

This endorsement changes the agreement to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the agreement)

Countersigned by \_\_\_\_\_



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
CONTINGENT EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT**

**Named Covered Party:**

ZZZ, Town of  
1234 Main St  
Somewhere, FL 33706

**Coverage Provider**

Preferred Governmental Insurance Trust  
P. O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement No.:** ZC FL1 TESTMUN 17-01

**Carrier No.** 38849

The premium for this coverage agreement will be adjusted by an experience rating modification factor. The factor shown in the schedule is a Contingent Experience Rating Modification Factor based on the appropriate experience data available and replaces any prior experience modification factor. We will issue an endorsement to show a revised factor if appropriate additional experience data becomes available. The contingent factor will apply unless a revised factor is subsequently issued.

**Schedule**

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the policy)

Countersigned by \_\_\_\_\_



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT**

**Named Covered Party:**

ZZZ, Town of  
1234 Main St  
Somewhere, FL 33706

**Coverage Provider**

Preferred Governmental Insurance Trust  
P. O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement No.:** ZC FL1 TESTMUN 17-01

**Carrier No.** 38849

Experience rating is mandatory for all eligible covered parties. The experience rating modification factor, if any, applicable to this coverage agreement, may change if there is a change in your ownership or in that one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

This endorsement changes the agreement to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the agreement.)

PGIT WC 008 (10 06)

Countersigned by



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
FLORIDA EMPLOYMENT AND WAGE INFORMATION RELEASE ENDORSEMENT**

**Named Covered Party:**

ZZZ, Town of  
1234 Main St  
Somewhere, FL 33706

**Coverage Provider**

Preferred Governmental Insurance Trust  
P. O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement No.:** ZC FL1 TESTMUN 17-01

**Carrier No.** 38849

This coverage agreement requires you to release certain employment and wage information maintained by the State of Florida pursuant to federal and state unemployment compensation laws except to the extent prohibited or limited under federal law. By entering into this coverage agreement, you consent to the release of the information. We will safeguard the information and maintain its confidentiality. We will limit use of the information to verifying compliance with the terms of the agreement.

Specimen

This endorsement changes the agreement to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the agreement)

PGIT WC 009 (10 06)

Countersigned by \_\_\_\_\_

*Margaret E. Gross*



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
COVERAGE AGREEMENT  
FLORIDA BENEFITS DEDUCTIBLE ENDORSEMENT**

**Named Covered Party:**

ZZZ, Town of  
1234 Main St  
Somewhere, FL 33706

**Coverage Provider**

Preferred Governmental Insurance Trust  
P. O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement No.:** ZC FL1 TESTMUN 17-01

**Carrier No.** 38849

This endorsement applies only to the coverage provided by Part One (Workers Compensation Coverage) because Florida is shown in Item 3.A of the information page.

1. Part One (Workers Compensation Coverage) applies to any amount paid in excess of the deductible amount shown in the schedule below. This deductible applies to each claim compensable under the Florida Workers' Compensation Law.
2. We will pay the deductible for you, but you will reimburse us for our payments within 30 days after we send you the notices that payment is due. If you fail to reimburse us, we may cancel the coverage agreement for nonpayment of premium. We may keep the amount of unearned premium that will reimburse us for the payments we made. These rights are in addition to other rights we have to be reimbursed.

**Schedule**

Deductible Amount

5,000 Deductible

This endorsement changes the agreement to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the agreement)

Countersigned by \_\_\_\_\_



## CLAIM NOTICE

Please notify:

### Preferred Governmental Claim Solutions

P.O. Box 958456  
Lake Mary, FL 32795-8456

Toll Free: 1-800-237-6617 x 4069

Local: 321-832-1400

Fax : 1-321-832-1717

[www.pgcs-tpa.com](http://www.pgcs-tpa.com)

There are four ways to report a claim:

- 24/7 Online @ [www.pgcs-tpa.com](http://www.pgcs-tpa.com) , you must register for this service on the website
- Call 800-237-6617, ext 4069 - during office hours of 8am to 5pm Monday through Friday
- Fax 321-832-1448
- Email to [WCclaims@PGCS-tpa.com](mailto:WCclaims@PGCS-tpa.com).