

Commercial Property – Claim Reporting and Claim Questions

Options for Reporting a New Claim

- **Telephone :** **AIG CallOnesm:** 800-931-9546 24/7, 365 days/year
- **Email :** newloss-usproperty&energy@aig.com
- **Fax :** 855-805-4125
- **Internet :** Complete a Quick Claim form at **<http://www.lexingtoninsurance.com/claims>**
- **Mail :** P.O. Box 2310, Alpharetta, Georgia 30023-2310

Such written notice shall include the Named Insured as shown on the Declarations, the policy number, the date of loss and a brief description of the potential claim.

Options for Questions Regarding Existing/Previously Reported Claims

For questions regarding existing claims, contact should be made directly with the assigned AIG Examiner via direct dial or email. ***However, in the instance where an AIG Examiner is unknown, please use the following methods to obtain the information:***

- **Claim Service Center: 877-873-9972**
- **AIG CallOne: 800-931-9546**

NATIONAL UNION FIRE INSURANCE COMPANY
ADMINISTRATIVE OFFICES: 99 HIGH STREET, BOSTON, MA, 02110
(hereinafter called the "Company")

COMMERCIAL PROPERTY POLICY DECLARATIONS

POLICY NUMBER: 019946755

RENEWAL OF: 019946755

ITEM 1. Named Insured: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES

Address: 1200 WEST THIRD STREET
LITTLE ROCK, AR 72201

ITEM 2. Policy Period: From 07/01/2018 To 07/01/2019
at 12:01 AM Standard Time at the address of the named insured shown above.

ITEM 3. Limit of Insurance:
100% BEING \$1,000,000,000 PART OF \$1,000,000,000 PER OCCURRENCE AND
IN THE PRIMARY

Total Premium: \$ 4,520,210

Terrorism Premium: \$ 110,000 (included in Total Premium above)

Minimum Earned Premium: \$ 1,582,074

ITEM 4. Perils:
ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE INCLUDING TERRORISM,
FLOOD, EARTH MOVEMENT AND EQUIPMENT BREAKDOWN/BOILER & MACHINERY
AND AS FURTHER DESCRIBED IN THE APPROVED POLICY FORM

ITEM 5.	Description of Property Covered:	Coinsurance NOT APPLICABLE
	REAL AND PERSONAL PROPERTY, BUSINESS INTERRUPTION, EXTRA EXPENSE, NEWLY ACQUIRED PROPERTY, DEBRIS REMOVAL, DEMOLITION & INCREASED COST OF CONSTRUCTION (DICC), VALUABLE PAPERS, ACCOUNTS RECEIVABLE, ELECTRONIC DATA PROCESSING, OFF PREMISES POWER (OVERHEAD LINES FOR INDIRECT BUSINESS INCOME / EXTRA EXPENSE ONLY), BUILDERS RISK AND COVERAGES MORE FULLY DEFINED IN AGREED FORM.	

ITEM 6. Mortgagee Clause: Loss, if any shall be payable to:
PER CERTIFICATES ON FILE WITH THE COMPANY

ITEM 7. Forms Attached:
SEE ATTACHED FORMS SCHEDULE

A handwritten signature in black ink, appearing to be "EJ", written over a horizontal line.

Authorized Representative

FORMS SCHEDULE

Named Insured: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES

Policy No: 019946755

Effective Date: 07/01/2018

<u>Form Number</u>	<u>Edition Date</u>	<u>Endorsement Number</u>	<u>Title</u>
PRPDEC	12/15		COMMERCIAL PROPERTY POLICY DECLARATIONS
PR9015	04/16		POLLUTION, CONTAMINATION, DEBRIS REMOVAL EXCLUSION ENDORSEMENT
PR9019	08/15		STANDARD PROPERTY CONDITIONS
PR4225	07/13		ECONOMIC SANCTIONS ENDORSEMENT
Y69813	02/98		COMBINED PROPERTY/BOILER & MACHINERY MILLENNIUM ENDORSEMENT
PR8530	08/09		MOLD / FUNGUS EXCLUSION
PR9566	11/02		EQUIPMENT BREAKDOWN ENDORSEMENT
PR9567	11/02		EQUIPMENT BREAKDOWN SCHEDULE
			SUPPLEMENTAL DECLARATIONS 2018
			PROPERTY COVERAGE FORM – AMAIT COVERAGE FORM 2018
			BUSINESS INTERRUPTION ENDORSEMENT GROSS EARNINGS/RENTS/EXTRA EXPENSE
		A	ENDORSEMENT A
		B	ENDORSEMENT B- SCHEDULE OF STATE AGENCY ENTITY; RETENTIONS PER AGENCY; EXTRA EXPENSE SUB-LIMITS PER AGENCY
		C	ENDORSEMENT C – AMAIT PROPERTY CLAIM PROTOCOL
		D	ENDORSEMENT D – SWING ENDORSEMENT – ADDITIONAL AND/OR RETURN PREMIUM CALCULATION

		E	ENDORSEMENT E- ELECTRONIC DATA AND MEDIA
PR8543	06/15	F	ENDORSEMENT F - TERRORISM PREMIUM CHARGE ENDORSEMENT WITH EXCLUSION FOR BIOLOGICAL AND/OR CHEMICAL TERRORISM
MANUSCRIPT			ENDORSEMENT ARKANSAS AMENDATORY ENDORSEMENT

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producer-compensation or by calling 1-800-706-3102.

ENDORSEMENT

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES

By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

POLLUTION, CONTAMINATION, DEBRIS REMOVAL EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

1. Property Not Covered

This Policy does not cover land, land values or water.

2. Pollution and Contamination Exclusion.

This Policy does not cover loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of CONTAMINANTS or POLLUTANTS, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any physical damage insured by this Policy.

Nevertheless, if fire is not excluded from this Policy and a fire arises directly or indirectly from seepage or contamination or pollution, any loss or damage insured under this Policy arising directly from that fire is insured, subject to the provisions of this Policy.

CONTAMINANTS or POLLUTANTS means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances as listed in the Federal Water, Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion shall not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm, hail, vandalism, malicious mischief. This exclusion shall also not apply when loss or damage is directly caused by leakage or accidental discharge from automatic fire protective systems.

3. Asbestos, Dioxin or Polychlorinated Biphenyls Exclusions

This Policy does not cover –

- a) Asbestos, dioxin or polychlorinated biphenyls (hereinafter all referred to as "Materials") removal from any good, product or structure unless the asbestos is itself damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, or leakage or accidental discharge from automatic fire protective system.

- b) Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such Materials;
- c) Any governmental direction or request declaring that such Materials present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

The exception to exclusion 3(a), above, does not apply to payment for the investigation or defense of any loss, damage or any undamaged portion of the insured's property that can no longer be used for the purpose for which it was intended

4. Debris Removal Exclusion

The Company will pay the expense within the sum insured to remove debris of insured property damaged or destroyed by an insured peril during the policy term.

The Company will not pay the expense to:


- a) Extract contaminants or pollutants from the debris; or
- b) Extract contaminants or pollutants from land or water; or
- c) Remove, restore or replace contaminated or polluted land or water; or
- d) Remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by pollutants or contaminants, whether or not such removal, transport, or decontamination is required by law or regulation.

It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for direct physical loss or damage to the property insured hereunder and that the Insured shall give written notice to the Company of intent to claim for cost of removal of debris or cost to clean up not later than 180 days after the date of such physical loss or damage.

5. Authorities Exclusion

Notwithstanding any of the provisions of this Policy, the Company shall not be liable for loss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any Government Agency, Court or other Authority arising from any cause whatsoever.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

**Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES**

By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

STANDARD PROPERTY CONDITIONS

This endorsement modifies insurance provided by the Policy:

The following provisions are hereby made part of this Policy. These provisions shall take precedence if and to the extent there is a conflict with any other policy provision(s).

MINIMUM EARNED PREMIUM CLAUSE

In the event of cancellation of this Policy by the Insured, a minimum premium of \$ 1,582,074 shall become earned, any provision of the Policy to the contrary notwithstanding. Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Company to cancel on the Insured'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 Insured remits and the Company receives the full policy premium with 10 days after the date of issuance of the cancellation notice. Such remittance and acceptance by the Company shall not affect the minimum earned premium provision of this endorsement. In the event of any other cancellation by the Company, the earned premium shall be computed pro-rata, not subject to the minimum earned premium.

CANCELLATION CLAUSE

Except and to the extent of the Minimum Earned Premium Clause which is part of this Policy, this clause supersedes other cancellation clauses made a part of this Policy.

CANCELLATION: This Policy may be cancelled by the Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the Insured, at the mailing address shown in this Policy or last known address, written notice, stating when, not less than NINETY (90) days thereafter (10 days for non-payment of premium) such cancellation shall be effective. The effectiveness of cancellation is not dependent on the return of unearned premium with the notice. Proof of mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or the Company shall be equivalent to mailing. If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment shall be made as soon as practicable after cancellation becomes effective.

SERVICE OF SUIT CLAUSE

In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a

transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 99 High Street, Boston, Massachusetts 02110 or his or her representative, and that in any suit instituted against the Company upon this Policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this Policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

WAR RISK EXCLUSION CLAUSE

The Company shall not be liable for any loss, caused directly or indirectly, by (1) hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating or defending against an actual, impending or expected attack (a) by government or sovereign power (dejure or de facto) or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or force (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental; (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction; (4) any consequence of any of the foregoing.

NUCLEAR EXCLUSION CLAUSE

The Company shall not be liable for loss by nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or not, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy. If the peril of fire is insured under this Policy, then, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this Policy. This Policy does insure against loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured premises.

SALVAGE AND RECOVERY CLAUSE

All salvages, recoveries, and payments (other than proceeds from subrogation and underlying insurance), will accrue entirely to the benefit of the Company until the sum paid or payable by the Company is recovered or reduced as applicable.

REQUIREMENTS IN CASE OF LOSS

The Insured shall:

1. Give prompt written notice of any loss or damage to the Company,
2. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority,

3. Protect the property from further loss or damage,
4. Separate the damaged and undamaged personal property,
5. Maintain such property in the best possible order, and
6. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed,
7. Furnish all other documents or insurance policies that the Company may reasonably require,
8. Allow the Company to access and inspect any of the damaged or undamaged property, and
9. Submit to examination under oath at such times as may be reasonably required about any matter relating to this insurance or any claim;


PROOF OF LOSS AND PAYMENT

The Insured shall complete and sign a sworn proof of loss within sixty (60) days after the Company's request stating the time and origin of the loss, the interest of the Insured and of all others in the property, the value of each item thereof determined in accordance with the Valuation conditions of this Policy and the amount of loss or damage thereto and all encumbrances thereon, all other contracts of insurance, whether collectible or not, covering any of said property and any changes in the title, use, occupation, location, possession or exposures of said property subsequent to the issuance of this Policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss whether or not it then stood on leased ground. All adjusted claims shall be due and payable thirty (30) days after the presentation and acceptance of satisfactory proof(s) of loss at the office of the Company at 99 High Street, Boston, Massachusetts 02110.

GOVERNMENT ACTIVITY CLAUSE

The Company shall not be liable for any loss or damage caused directly or indirectly by the seizure, confiscation or destruction of insured property by any governmental body or public authority, including any customs or quarantine action. This exclusion shall not apply to an order or action of a governmental body or public authority to destroy insured property for the purpose of preventing the spread of fire or explosion nor to the enforcement of any law or ordinance relating to the construction or repair of damaged property as covered by DEMOLITION AND INCREASED COST OF CONSTRUCTION of this Policy.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

**Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES**


By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

All other terms and conditions of the Policy remain the same.



Authorized Representative

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By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

COMBINED PROPERTY/BOILER & MACHINERY MILLENNIUM ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

- A. The Insurer will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the inability to:
1. correctly recognize any date as its true calendar date;
 2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
 3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Insurer will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.
- C. It is further understood that the Insurer will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A. above.

Such Damage or Consequential Loss described in A, B, or C above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This endorsement shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow, sudden and accidental breakdown of an object, including mechanical and electrical breakdown.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES

By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

MOLD / FUNGUS EXCLUSION

(with direct result of covered loss exception)

This endorsement modifies insurance provided by the Policy:

In consideration of the premium charged, it is hereby understood and agreed that this Policy is amended as follows.


The Company shall not be liable for any loss or damage in the form of, caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

- (a) fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- (b) mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
- (c) spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the Insured establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES

By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

EQUIPMENT BREAKDOWN ENDORSEMENT

(Boiler and Machinery)

- (1) This policy covers loss caused by or resulting from an "accident" to "covered equipment." "Accident" means direct physical loss as follows:

- (a) mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (b) artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (c) explosion of steam boilers, steam pipes, steam engines or steam turbines owned or operated by or under the control of the Insured;
- (d) loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e) loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

"Accident" does not include destruction, disruption, distortion or corruption of any computer data, coding, program or software.

- (2) The following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment". These coverages do not provide additional amounts of insurance.

(a) Expediting Expense

The Company shall be liable for the reasonable extra cost to make temporary repairs and to expedite permanent repairs or permanent replacement of damaged covered property. The Company's total liability for Expediting Expense resulting from an "accident" to "covered equipment", is the amount shown in the Equipment Breakdown Schedule.

(b) Hazardous Substances

The Company shall be liable for the additional cost to repair or replace covered property because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property. Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency. Additional costs mean those beyond that which would have been required had no hazardous substance been involved.

The Company's total liability for loss or damage under this coverage, including actual loss of Business Interruption sustained, necessary Extra Expense incurred, loss of Rental Value and loss under Spoilage coverage, is \$100,000, unless otherwise shown in the Equipment Breakdown Schedule. Any coverage under the policy for decontamination or pollution cleanup does not apply to this endorsement. Exclusion R.(1) of the form to which this endorsement is attached does not apply to this Hazardous Substances coverage.

(c) Spoilage

The Company shall be liable for:

- (i) the Insured's loss of "perishable goods" due to spoilage;
- (ii) the Insured's loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;

- (iii) necessary expenses incurred to reduce the amount of loss under this coverage. The Company shall be liable for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (iv) the Insured's loss of "perishable goods" due to spoilage caused by an "accident" to equipment that is owned by a utility, landlord, or other supplier with whom the Insured has a contract for provision of any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. This coverage applies only to loss that occurs in buildings owned by the Insured.

If the Insured is unable to replace the "perishable goods" before its anticipated sale, payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident", less discounts and expenses that otherwise would have been incurred. Otherwise payment will be determined in accordance with the Valuation provision of the policy. The Company's total liability for loss or damage under this coverage is the amount shown in the Equipment Breakdown Schedule.

(d) Computer Equipment

The Company shall be liable for loss or damage caused by or resulting from an "accident" to "computer equipment." The Company's total liability for loss or damage under this coverage, including actual loss of Business Interruption sustained, necessary Extra Expense incurred, and loss of Rental Value is the amount shown in the Equipment Breakdown Schedule. Computers used primarily to control or operate "covered equipment" are not subject to this limit.

The coverage provided by this provision shall be primary to any coverage provided in the form to which this endorsement is attached for "accident" to "computer equipment." In no event shall liability for loss to "computer equipment" under this endorsement and the form to which it is attached exceed the sublimit(s) stated in the Sublimits of Liability section of the form to which this endorsement is attached.

(e) Data Restoration

The Company shall be liable for the cost to research, replace and restore data, including programs and operating systems, that is lost or corrupted due to an "accident." The Company's total liability for loss or damage under this coverage is \$100,000 unless otherwise shown in the Equipment Breakdown Schedule.

(f) CFC Refrigerants

The Company shall be liable for the additional cost to repair or replace covered property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (i) Repair the damaged property and replace any lost CFC refrigerant;
- (ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (iii) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved. The Company's total liability for loss or damage under this coverage, including actual loss of Business Interruption sustained, necessary Extra Expense incurred, loss of Rental Value and loss under Spoilage coverage, is the amount shown in the Equipment Breakdown Schedule.

(3) BUSINESS INTERRUPTION / EXTRA EXPENSE / RENTAL VALUE

Coverage for Business Interruption, Extra Expense and / or Rental Value provided herein shall apply as respects the Business Interruption, Extra Expense and Rental Value clauses, and any Additional Provisions applicable to Business Interruption, Extra Expense and Rental Value, of the policy to which this endorsement is attached, solely as a result of loss caused by or resulting from an "accident" to "covered equipment" as defined herein.

The Business Interruption, Extra Expense, Rental Value provisions, and any Additional Provisions applicable to Business Interruption, Extra Expense and Rental Value, of the policy to which this endorsement is attached are amended as follows:

- (a) If so indicated in the Equipment Breakdown Schedule, Contingent Business Interruption does not apply to Equipment Breakdown coverage or applies only up to the limit specified on the Equipment Breakdown Schedule.
- (b) As respects Equipment Breakdown coverage only, the Period of Restoration provision is amended to read as follows:

Period of restoration means the period of time that:

- (i) Begins with the date of direct physical loss or damage by any of the perils covered herein, at the described premises; and
- (ii) Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality, plus the number of days, if any, indicated in the Equipment Breakdown Schedule for Extended Period of Restoration.

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

- (i) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (ii) Requires the Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "contaminants" or "pollutants" as defined in Section 9. Perils Excluded, Paragraph Q.

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

(4) ADDITIONAL PERILS EXCLUDED

The following exclusions are in addition to those in the policy attached hereto.

- (a) With respect to coverage provided by this endorsement, the Company shall not be liable for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere; any other explosion (except for explosion of steam boilers, steam piping, steam engines or steam turbines); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse; or molten material.
- (b) With respect to Business Interruption, Extra Expense and Rental Value coverages, the Company shall not be liable for any delay in resuming operations due to the need to reconstruct or reinput data or programs on "media."
- (c) The Company shall not be liable for loss or damage caused by or resulting from:
 - (i) a hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment;
 - (ii) failure to use all reasonable means to protect "perishable goods" from damage following an "accident";
 - (iii) any defect, virus, loss of data or other situation within "media." But if loss or damage from an "accident" results, the Company shall be liable for that resulting damage.

(5) DEDUCTIBLES

Only as regards Equipment Breakdown Coverage, the DEDUCTIBLES provision is deleted and replaced with the following: Unless the Schedule indicates that the deductible is combined for all coverages, multiple deductibles may apply to any "one accident." If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," the highest deductibles for each coverage will apply.

(a) Direct and Indirect Coverages

Unless otherwise shown in the Equipment Breakdown Schedule, the Direct Coverages Deductibles apply to all loss or damage covered by this endorsement, with the exception of those coverages subject to the Indirect Coverages Deductibles. Unless more specifically indicated in the Equipment Breakdown Schedule, the Indirect Coverages Deductibles apply to Business Interruption, Extra Expense and Rental Value.

(b) Application of Deductibles

(i) Dollar Deductibles

The Company shall not be liable for loss or damage resulting from any "one accident" until the amount of loss or damage exceeds the applicable Deductible shown in the Equipment Breakdown Schedule. The Company shall then pay the amount of loss or damage in excess of the applicable deductible, up to the applicable LIMIT OF LIABILITY

(ii) Time Deductible

If a time deductible is shown in the Equipment Breakdown Schedule, the Company shall not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(iii) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the net profit (or loss) and expenses as described in the policy attached hereto that would have been earned or incurred had no "accident" occurred during the period of interruption of business divided by the number of working days in that period. No reduction shall be made for the net profit (or loss) and expenses not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss.

The number indicated in the Equipment Breakdown Schedule shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(iv) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, the Company shall not be liable for the indicated percentage of the gross amount of loss or damage (prior to any applicable deductible) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

(6) DEFINITIONS

(a) "Boilers and Vessels" means:

- (i) Any boiler, including attached steam, condensate and feedwater piping; and
- (ii) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the Equipment Breakdown Schedule.

(b) "Computer equipment" means covered property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.

(c) "Covered equipment" means covered property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy. None of the following is "covered equipment":

- (i) structure, foundation, cabinet, compartment or air supported structure or building;
- (ii) insulating or refractory material;
- (iii) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (iv) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (v) vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel;
- (vi) dragline, excavation or construction equipment; or
- (vii) equipment manufactured by the Insured for sale.

(d) "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.

- (e) "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
- (f) "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- (g) "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.
This term does not appear elsewhere in this endorsement, but may appear in the Equipment Breakdown Schedule.
- (h) "Service Interruption" means the Extension of Coverage provided in the form to which this endorsement is attached for interruption of business conducted by the Insured resulting from loss or damage to public utility plants, transformers or switching stations, substations furnishing heat, light, power, water, telephone or gas to the Insured's premises, but within one statute mile of the premises.

(7) SUSPENSION

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any representative of the Company may immediately suspend the insurance against loss from an "accident" to said "covered equipment" by mailing or delivering a written notice of suspension to the Insured at the address as shown in the Declarations, or at the address where the "covered equipment" is located. Once suspended in this way, the insurance can be reinstated only by endorsement for that property. If so suspended, the Insured will get a pro rata refund of premium. But the suspension will be effective even if a refund has not been offered or made.

(8) COINSURANCE

If indicated in the Equipment Breakdown Schedule, specified coverages may be subject to coinsurance. The Company shall not pay for the full amount of the loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, the Company shall determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. Then the applicable Deductible will be subtracted. The resulting amount, or the applicable limit, is the most the Company shall pay. The remainder of the loss will not be paid.



Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES

By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

EQUIPMENT BREAKDOWN SCHEDULE

The Company shall not be liable for more than the Equipment Breakdown Limit for loss or damage arising from any "one accident".

These coverages apply to all locations covered on the policy, unless otherwise specified. Wherever the term "Company" is used in the Equipment Breakdown Endorsement and the form to which it is attached, it shall also mean "Insurer."

Coverages	Limits
Equipment Breakdown Limit	\$ 1,000,000,000
Sublimits of Liability (sublimits are within, and do not increase, the Equipment Breakdown Limit stated above):	
Expediting Expense	\$ 250,000
Hazardous Substances	\$ 50,000
Spoilage	\$ 100,000
Computer Equipment	\$ 100,000
Data Restoration	\$ 100,000
CFC Refrigerants	\$ 50,000
Business Interruption	\$ INCLUDED
Extra Expense	\$ 5,000,000
Rental Value	\$ Included in Business Interruption
Contingent Business Interruption: Suppliers and/or Receivers of the Insured's Goods or Services	\$ 10,000
"Service Interruption"	\$ 250,000
Deductibles	

Combined, All Coverages	\$ 10,000
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If a Combined, All Coverages deductible is not entered above, the following deductibles are applicable:

Direct Coverages	\$ N/A
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Indirect Coverages	\$ N/A	: or hours; or times ADV.
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Spoilage (if no entry, see Direct Coverages)	\$ N/A N/A	: or % of loss, \$N/A	minimum.
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Other Conditions

Extended Period of Restoration: N/A days

Unless the interruption exceeds N/A hours, we will not pay for any loss under "Service Interruption" coverage.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a long horizontal stroke.

Authorized Representative

SUPPLEMENTAL DECLARATIONS

POLICY LIMITS:

This Company's Maximum Liability in any one Occurrence as a result of all covered loss or damage regardless of the number of locations, coverages, or perils insured under this Policy shall not exceed \$1,000,000,000 for any one occurrence subject to the following policy sub-limits. Policy sub-limits do not increase the policy limit of \$1,000,000,000.

POLICY SUB-LIMITS:

The following policy sub-limits of liability will apply on a per occurrence basis for all coverages provided, unless otherwise stated below, and are part of, not in addition to, the above limit(s) of liability.

For Annual Aggregate sub-limits the policy year will begin at the inception date of this policy and be concurrent with the anniversary dates of this policy.

- | | | | | | | |
|-----|--|--|----|--|----|--|
| 1a. | \$200,000,000 | Earth Movement (Annual Aggregate, for all coverages provided) except; | | | | |
| 1b. | \$100,000,000 | Earth Movement (Annual Aggregate, for all coverages provided) in ISO Zones 2 and 3

<i>*Excludes Earth Movement for ASU-Jonesboro Location (125A)</i> | | | | |
| 2a. | \$100,000,000 | Flood (Annual Aggregate, for all coverages provided) except; | | | | |
| 2b. | \$40,000,000 | Flood (Annual Aggregate, for all coverages provided) in Zone B and Zone X Shaded locations except; | | | | |
| 2c. | \$30,000,000 | Flood (Annual Aggregate, for all coverages provided) in Zone A locations | | | | |
| 3. | \$50,000,000 | Mobile Equipment / Single Wide Pre-Manufactured Housing <table border="0" style="margin-left: 40px;"> <tr> <td style="vertical-align: top;">a.</td> <td><i>Includes transit as well as over the road coverage / collision; except single wide pre-manufactured housing</i></td> </tr> <tr> <td style="vertical-align: top;">b.</td> <td><i>Coverage applies for all Perils Insured under this Policy, including Flood and Earthquake and while offsite</i></td> </tr> </table> | a. | <i>Includes transit as well as over the road coverage / collision; except single wide pre-manufactured housing</i> | b. | <i>Coverage applies for all Perils Insured under this Policy, including Flood and Earthquake and while offsite</i> |
| a. | <i>Includes transit as well as over the road coverage / collision; except single wide pre-manufactured housing</i> | | | | | |
| b. | <i>Coverage applies for all Perils Insured under this Policy, including Flood and Earthquake and while offsite</i> | | | | | |
| 4. | \$3,000,000 | Motor Vehicle Coverage at 1 State Police Plaza, Little Rock, AR 72209 | | | | |
| 5. | \$10,000 | Underground Water Seepage Coverage | | | | |
| 6. | \$150,000 | Seedling Trees & Plants | | | | |
| 7. | \$100,000 | Fire Fighting Materials and Expenses | | | | |
| 8. | \$5,000,000 | Professional Fees | | | | |
| 9. | \$1,000,000 | Expediting Expenses | | | | |
| 10. | \$100,000 | Landscaping Improvements not to exceed a limit of \$1,000 per item | | | | |
| 11. | \$100,000 | Pavements and Roadways | | | | |
| 12. | \$100,000 | Land and Water Clean Up Expense (Annual Aggregate, for Named Perils Only) | | | | |

SUPPLEMENTAL DECLARATIONS

13.	\$250,000	Installation Floater
14.	\$25,000,000	Newly Acquired Property – 180 Days Reporting
15.	\$5,000,000	Unnamed Locations Coverage
16.	\$30,000,000	Fine Arts / Collections
17.	\$5,000,000	Accounts Receivable
18.	\$10,000,000	Valuable Papers and Records
19.	\$25,000,000	Electronic Data and Media Property Damage
20.	Demolition and Increased Cost of Construction:	
	Policy Limit	Item A: Undamaged Portion
	\$50,000,000	Item B: Demolition
	\$5,000,000	Item C: Compliance with the Law
	\$1,000,000	Item D: Business Interruption
21.	\$5,500,000	Errors and Omissions
22.	\$5,000,000	Personal Property in Transit
		– DOES NOT INCLUDE MOBILE EQUIPMENT (refer to Mobile Equipment sub-limit above) or SINGLE WIDE PRE MANUFACTURED HOUSING
		Except;
	\$250,000	Transit as regards Fine Arts / Collections
23.	Terrorism Coverage	
	\$1,000,000,000	A. United States Certified Act of Terrorism coverage
	Not Covered	B. Terrorism Coverage for Locations Outside of the United States (Annual Aggregate, for all coverages provided)
24.	\$250,000	Fungus, Mold or Mildew
25.	\$100,000	Deferred Payment
26.	\$5,000,000	Off-Premises Service Interruption – Property Damage/Business Interruption – Combined Limit
		- Includes but not limited to telephone and telecommunication; to include overhead and transmission lines for indirect (Business Interruption/Extra Expense Only) subject to \$1,000,000 Food Spoilage Sub-Limit;
		In the event of loss or damage covered by this policy, no coverage is provided unless the service interruption exceeds 24 hours beginning from the time of loss or damage covered by this policy. If the service interruption exceeds 24 hours, the loss will be calculated from the time of loss or damage covered by this policy, subject to the policy retention.
27.	\$100,000	Arson or Theft Reward
28.	\$50,000	Money
29.	\$100,000	Locks and Keys

SUPPLEMENTAL DECLARATIONS

30.	\$100,000	Tenants Legal Liability and Expense
31.	\$1,000,000	Soft Costs
32.	\$2,500	Per Employee, Per Occurrence for Personal Property of Employees
33.	Included	Debris Removal
34.	Included	Property Removed from Described Locations
35.	Included	Protection and Preservation of Property

- Business Interruption:

- A. \$438,455,236 Gross Earnings (Tuition and Fees Included as indicated below) – only applies at the following state agencies:
- a. Agency 105: Southern Arkansas University (*Tuition and Fees not Included*)
 - b. Agency 120: Arkansas State University – Beebe (*Tuition and Fees Included*)
 - c. Agency 130: Arkansas Technical University (*Tuition and Fees Included*)
 - d. Agency 165: University of Central Arkansas (*Tuition and Fees Included*)
 - e. Agency 900: Arkansas Department of Parks and Tourism
 - f. Agency 615: DFA-Division of Building Authority
 - g. Agency 128: Arkansas State University – Mountain Home (*Tuition and Fees Included*)
 - h. Agency 125A: Arkansas State University – Jonesboro (*Tuition and Fees Included*)
 - i. Agency 675: Black River Technical College (*Tuition and Fees Included*)

- Changes made to Gross Earnings limits for above Agencies are approved up to \$5,000,000 without prior notification to Carrier. However, changes must be included in the Semi-Annual reporting. Any changes above \$5,000,000 need to be submitted for Carrier approval.

- Ordinary Payroll can be added subject to 365 days limitation. Prior approval must be obtained.

- B. \$50,000,000 Extra Expense Per Occurrence
Limits apply per Endorsement B
- C. \$10,000 Gross Earnings from Property in Transit
- D. 365 Days of Ordinary Payroll to apply for the following locations **only**:
- * Agency 120 - Arkansas State University – Beebe
 - * Agency 128: Arkansas State University – Mountain Home

SUPPLEMENTAL DECLARATIONS

- * Agency 125A: Arkansas State University – Jonesboro
- * Agency 675: Black River Technical College
- * Agency 165: University of Central Arkansas
- * Agency 130: Arkansas Tech University
- * Agency 900: Arkansas Department of Parks and Tourism

E.	Up to Exp of Policy Period	Days of Civil Authority
F.	\$10,000	Contingent Business Interruption
G.	\$5,000,000	Research and Development Expense
H.	\$2,500,000	Ingress/Egress
I.	\$100,000	Tax Treatment
J.	90	Days of Extended Period of Indemnity
K.	Included in Physical Damage Sub-Limit Above	Off-Premises Service Interruption – Business Interruption

The above Policy Sub-limits of liability will be the maximum payable for property damage and business interruption (if applicable) resulting from such property damage, or any combination thereof.

With respect to items A. and J. the number of days is part of and not in excess to any other outstanding sub-limits of liability.

MAXIMUM AMOUNT PAYABLE: In the event of loss under the policy, the liability of the Insurer(s) shall be limited to the least of the following:

- a.) The actual adjusted amount of loss, less applicable deductible(s):
- b.) Any other Limit of Liability or Sublimit of Insurance or Amount of Insurance specifically stated in this policy to apply to any particular insured loss or coverage or location;
- c.) The Agreed Amount values stated in the latest Schedule of Values or other documentation on file with the Insurer(s) separately for each of the following categories: Mobile Equipment, Fine Arts/Collections, Real Property and Business Personal Property.

Property Coverage Form

A. PERILS INSURED

This policy insures against all risks of direct physical loss or damage to insured property except as excluded under this policy.

B. PROPERTY INSURED

This policy insures the following property, if shown in the declarations section, at or within 1,000 feet of a **described location**, unless excluded, that the insured

- i) Owns;
- ii) Operates;
- iii) Controls; or
- iv) Is under the obligation to insure for direct physical loss or damage, to the extent of such obligation.

1. Real Property

If this policy insures real property it includes;

- a. New construction;
- b. Additions under construction;
- c. Alterations and repairs to buildings or structures;
- d. Materials, equipment and supplies for new construction, additions, buildings or structures;
- e. Temporary structures;
- f. Machinery, equipment, and fixtures that are permanently attached to the building;
- g. Personal property that is used to maintain or service the building;
- h. Pedestrian Bridges
- i. 250 Square Foot, or less, Buildings, not specifically scheduled, but on Insured's Premises, and if not covered by other insurance.

2. Personal Property

If this policy insures personal property, it includes, but is not limited to:

- a. Machinery and Equipment;
- b. **Raw materials** and Stock;
- c. Furniture and Fixtures;
- d. **Electronic Data Processing equipment;**
- e. **Processing water;**
- f. Molds and Dies;

Property Coverage Form

- g. Property in the yard;
- h. Improvements and Betterments in which the Insured has an insurable interest;
- i. The Insured's interest in and legal liability for property of others, while at a **described location**.
- j. Contents located within Single Wide Pre Manufactured Housing

C. POLICY SUB-LIMITS:

The following coverages apply; subject to the terms and conditions of this policy, and to the extent shown in the Supplemental Declarations section.

1. Earth Movement:

- a. This policy is extended to cover direct physical loss or damage to insured property caused by or resulting from **earth movement**. If more than one **earth movement** shock occurs within any period of 168 hours during the term of the policy, such shocks will be considered to constitute a single **earth movement**.

This policy does not pay for **earth movement** commencing before the effective or after the expiration date and time of this policy. Liability for such loss or damage by **earth movement** will not exceed the annual aggregate sub-limit as specified in the declarations section in any one policy year.

- b. This coverage does not apply to:
 - 1) Unnamed **Locations**; and
 - 2) Errors and Omissions.

Coverage provided by this extension is limited to property while located within the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

2. Flood:

- a. This policy is extended to cover direct physical loss or damage to insured property caused by or resulting from **flood**.

This policy does not pay for **flood** commencing before the effective or after the expiration date and time of this policy. Liability for such loss or damage by **flood** will not exceed the annual aggregate sub-limit as specified in the Supplemental Declarations in any one policy year.

- b. This coverage does not apply to:
 - 1) Unnamed **Locations**; and
 - 2) Errors and omissions.

Coverage provided by this extension is limited to property while located within the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

Property Coverage Form

3. Mobile Equipment / Single Wide Pre-Manufactured Housing:

This policy is extended to cover direct physical loss or damage to Mobile Equipment / Single Wide Pre-Manufactured Housing. This coverage shall include transit as well as over the road / collision; with the exception of Single Wide Pre-Manufactured Housing. Coverage applies for all **direct physical loss or damage to insured property except as excluded under this policy**, including **Flood** and **Earth Movement**, while on Insured's premises or offsite.

4. Motor Vehicle Coverage:

This policy is extended to cover:

- (a) Motor vehicles; and
- (b) Trucks

Not licensed for highway use; or Not licensed for public road use as regards **named perils** only.

This policy does not cover loss or damage resulting from:

- 1) Collision; or
- 2) Overturn;

While such motor vehicles and trucks are being operated under their own power; or being towed (whether or not in motion at the time of loss).

At the following **Location(s)**:

1 State Police Plaza, Little Rock, AR, 72209

5. Underground Water Seepage Coverage:

This policy is extended to cover direct physical loss or damage to covered property caused by water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces; or
- (b) Basements, whether paved or not.

6. Seedling Trees & Plants:

This policy is extended to cover direct physical loss or damage to the Insured's Business Personal Property, while in a covered building, at a described location. This coverage does not include Crops in Field or Landscaping.

7. Fire Fighting Materials and Expenses:

This policy is extended to cover expenses:

- a) Incurred by the Insured to replace fire extinguishing materials:
 - i. Lost;
 - ii. Expended; or
 - iii. Destroyed

and

Property Coverage Form

- b) For fire-fighting expenses incurred by or imposed upon the Insured in connection with insured property. There will be no coverage for charges incurred for false alarm.

8. Professional Fees:

This policy is extended to cover the reasonable fees paid to:

- a) Auditors;
- b) Accountants;
- c) Architects;
- d) Engineers; or
- e) Other professionals;

For producing and certifying particulars or details of the Insured's business in order to determine the amount of loss payable under this policy.

There will be no coverage for the expenses of:

- 1) Attorneys;
- 2) Public adjustors, loss appraisers, loss consultants, or any of their subsidiaries or associated entities;
- 3) The Insured's own employees.

9. Expediting Expenses:

- a) This policy is extended to cover Expediting Expenses which are the reasonable and necessary costs to:
 - i. Make temporary repairs to, or
 - ii. Expedite the permanent repair or replacement of:

Insured property that has sustained direct physical loss or damage insured by this policy.

- b) Expediting Expenses do not include:
 - i. Expenses payable elsewhere in the policy, or
 - ii. The cost of permanent repair or replacement.

10. Landscaping Improvements:

This policy is extended to cover direct physical damage by **named perils** to Shrubs, Plants, and Lawns that are part of Landscaping Improvements.

This coverage is not included in Section B., Items 1 and 2., **Real Property** and **Personal Property**.

11. Pavements and Roadways:

This policy is extended to cover direct physical damage to:

- a) Pavements; and
- b) Roadways:

By **named perils**.

This coverage is not included in Section B., Items 1 and 2., **Real Property** and **Personal Property**.

Property Coverage Form

12 Land and Water Clean Up Expense:

This policy is extended to cover reasonable and necessary expense to remove, dispose of or clean up contaminants from land or water at a **location** when such land or water is contaminated or polluted due to direct physical damage by **named perils only**.

There will be no coverage unless such expenses are reported to the company within 180 days of the date of direct physical damage.

Contaminants include, but are not limited to, **pollutants**.

13. Installation Floater:

This policy is extended to cover:

- a) Materials;
- b) Equipment;
- c) Machinery; and
- d) Supplies;

Designated by the Insured for use in construction or installation projects at **locations** other than **described locations**.

Coverage begins at the time covered property arrives at the site of installation and ends when:

- 1) The interest of the Insured ceases;
- 2) The property has been accepted by the owner or purchaser; or
- 3) The policy expires;

Whichever occurs first.

Coverage provided by this extension is limited to property while located within: the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limits. This policy sub-limit cannot be combined with any other policy sub-limits.

14. Newly Acquired Property:

This policy is extended to cover property that is newly acquired.

This coverage terminates:

- a) When the newly acquired property is reported to the company; or
- b) 180 days after the date of acquisition; or
- c) At the termination or expiration of this policy;

Whichever occurs first.

There will be no coverage provided under this extension for property while in transit.

Coverage provided by this extension is limited to property while located within: the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

Property Coverage Form

The specified sub-limit for this extension of coverage is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limits. The policy sub-limit cannot be combined with any other policy sub-limits.

15. Unnamed Locations:

This policy is extended to cover Insured property:

- a) At a place other than a **described location**, a Newly Acquired Property, or an Installation Floater **location**; and
- b) Not otherwise insured, including but not limited to:
 - i. Stock Stored Off-Site
 - ii. Property at Exhibitions
 - iii. Salespersons Samples
 - iv. Office, Manufacturing and Other Equipment Off-Site.

There will be no coverage provided under this extension for property in transit.

Coverage provided by this extension is limited to property while located within: the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limit.. The policy sub-limit cannot be combined with any other policy sub-limits.

16. Fine Arts / Collections:

This policy is extended to cover **fine arts** / collections at a **location**.

There will be no coverage for Loss or damage to any **fine arts** / collections as a result of restoring repairing or retouching processes.

17. Accounts Receivable:

This policy is extended to cover amounts due the Insured from customers, which the Insured is unable to collect, as a result of direct physical loss or damage insured by this policy to accounts receivable records.

Coverage includes:

- a) Interest charges on any loan to offset impaired collections pending repayment of sums that can not be collected.
- b) Collection expenses in excess of normal collection costs.
- c) Other reasonable expenses incurred by the Insured in recreating records of accounts receivable.

18. Valuable Papers and Records:

This policy is extended to cover **valuable papers and records**.

19. Electronic Data and Media Property Damage:

This policy is extended to cover:

- a) **Electronic data**; and
- b) **Electronic media**.

Property Coverage Form

20. Demolition and Increased Cost of Construction:

- a) This policy is extended to cover the following when incurred by the Insured as a direct result of enforcement of a law or ordinance, when the law or ordinance:
- i. Regulates the demolition, construction , repair, replacement or use of buildings or structures;
 - ii. Is enforced as a direct result of direct physical loss or damage insured by this policy at a **location**; and
 - iii. Is in force at the time of such loss or damage.

Coverage is provided for:

Item A: The value of the physically undamaged portions of the insured buildings or structures when those portions are demolished;

Item B: The cost to demolish and clear any physically undamaged portions of the insured buildings or structures;

Item C: The cost incurred to actually rebuild the physically damaged and the undamaged portion, whether or not demolition is required, of such insured buildings or structures with materials and in a manner to comply with the minimum requirement of the law or ordinances;

Item D: The **Business Interruption** (if covered) loss during the additional time required for making the changes to the building or structures in coverage A, B and C above.

- b) There will be no coverage for:
- i. The cost required by the enforcement of any law or ordinance regulating any form of contamination , including but not limited to, **pollution; fungus; mold or mildew**.
 - ii. The cost to comply with any law or ordinance with which the Insured was required to comply had the direct physical loss or damage not occurred.
 - iii. Vacant or Unoccupied **Locations** are subject to the terms and conditions in Section F., General Conditions, Item 7.

21. Errors and Omissions:

This policy is extended to cover direct physical loss or damage that would not be payable solely because of an error or unintentional omission:

- a) In the description or address of a property, insured by this policy, which existed: at the inception date of this policy; or in any subsequent amendments to this policy.
- b) Through failure to include any **location**:
- i. Owned;
 - ii. Occupied; or
 - iii. Newly acquired;

By the Insured at the inception date or during the term of this policy.

- c) Which results in cancellation of insured property under this policy.

Coverage applies to the extent this policy would have provided coverage, had the error or unintentional omission not been made.

Property Coverage Form

There will be no coverage if coverage is found in whole or in part elsewhere in this policy;

Coverage provided by this extension is limited to property while located within: the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

22. Personal Property in Transit:

- a) This policy is extended to cover the following Personal Property, not otherwise excluded, while in transit within the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada:
 - i. Personal Property owned by the Insured
 - ii. Personal Property of others to the extent of the Insured's interest or legal liability while in the actual or constructive custody of the Insured.
 - iii. Personal Property shipped to others on Free on Board (FOB), Coast and Freight (C&F), or similar terms. The Insured's contingent interest in such shipments is admitted.
- b) This extension includes:
 - i. Direct physical loss or damage to insured Personal Property occasioned by:
 - 1. Acceptance of fraudulent bills-of-lading, shipping or messenger receipts by the Insured, Insured's agent, customer or consignee(s).
 - 2. Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the Personal Property for shipment or to accept it for delivery.
 - ii. General average and salvage charges on shipments covered while waterborne.
- c) There will be no coverage for:
 - i. Personal Property shipped by mail.
 - ii. Shipments by air unless made via regularly scheduled airlines.
 - iii. Waterborne shipments via the Panama Canal or waterborne shipments to and from:
 - 1. Alaska
 - 2. Hawaii
 - 3. Commonwealth of Puerto Rico
 - 4. Virgin Islands
 - iv. Any transporting vehicle
 - v. Personal Property excluded elsewhere in this policy.
- d) Coverage begins:
 - i. From the time the Personal Property leaves the original point of shipment for the commencement of transit; and
 - ii. Continuously in the due course of transit;Until delivered at destination.
- e) Additional exclusions, conditions and provisions:
 - i. Coverage is excluded for any consequential loss beyond the direct physical loss or damage to the insured Personal Property.
 - ii. Coverage is excluded for Personal Property insured under any import or export ocean marine insurance. Coverage on export shipments not insured under ocean marine policies does not extend beyond the time when the Personal Property is loaded on board overseas vessel or aircraft. Coverage on import shipments not insured under ocean cargo policies does not attach until after discharge from

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overseas vessel or aircraft.

- iii. Permission is granted to the Insured, without prejudice to this insurance, to accept ordinary bills of lading used by carriers, including:
 - 1. Released and/or under valued bills of lading.
 - 2. Shipping or messenger receipts.
- iv. The Insured may waive subrogation against railroads under sidetrack agreements.
- v. The Insured may not enter into any special agreement with carrier releasing them from their common law or statutory liability.

23. Terrorism:

This policy covers direct physical loss or damage to insured property caused by or resulting from **terrorism**, but only at a **described location(s)**.

Any act which satisfies the definition of **terrorism** provided in Section G., Definitions, or in any **terrorism** endorsement to this policy, will not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk which may be covered elsewhere in this policy. Amounts recoverable under this Policy Sub-limit are excluded from coverage elsewhere in this policy.

If any Business Interruption Endorsement is part of this policy, any coverage provided by any such endorsement or by any extension of such coverage will not apply to any loss resulting from the **actual cash value** portion of direct physical loss or damage by fire caused by or resulting from **terrorism**.

This Policy Sub-limit does not cover loss or damage which also comes within the terms of the hostile or warlike action exclusion of Section E., Perils Excluded, Group 1, Item 2.a.

This Policy Sub-limit does not in any event cover loss or damage directly or indirectly caused by or resulting from any of the following, regardless of any other cause or event, whether or not insured under this policy contributing concurrently or in any other sequence to the loss:

- a) The use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- b) It is carried out by means of dispersal or application of pathogenic or poisonous biological or chemical materials; or
- c) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **terrorism** was to release such materials; or
- d) Action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.

24. Fungus, Mold or Mildew:

This policy is extended to cover the direct physical loss or damage to insured property caused by or resulting from **fungus, mold or mildew**, when **fungus, mold or mildew** is the direct result of direct physical loss or damage insured by this policy. This coverage includes any cost or expense to clean up, remove, contain, treat, detoxify or neutralize **fungus, mold or mildew** from insured property resulting from such loss or damage.

25. Deferred Payment:

- a) This policy is extended to cover the Insured's financial interest in personal property that has been sold by the Insured under; written lease, installment sale, deferred payment, or conditional sales contract, if such property sustains direct physical loss or damage insured by this policy and only to the extent the Insured is **unable** to collect the unpaid

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balance of such interest.

This insurance attaches from the time the property is sold or leased until the, Insured's financial interest in it has ceased, or the policy terminates or expires; whichever is first.

- b) The financial interest is limited to the lesser of the following:
- i. The total amount of unpaid installments with respect to properly described in paragraph a. above;
 - ii. The extent of the insured's financial interest in leased property;
 - iii. The **actual cash value** of the property at the time any loss or damage occurs;
 - iv. The cost to repair or replace the property with material of like kind and quality.

The section E., Perils Excluded, Group I, exclusions are amended as follows as respects Deferred Payment Coverage.

The following wording is added to the Group I Exclusions:

Theft or conversion by the buyer of the property after the buyer has taken possession of such property.

Coverage provided by this extension is limited to property white located within: the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U. S. Virgin Islands; and Canada.

26. Off-Premises Service Interruption – Property Damage:

This policy is extended to cover physical loss or damage as a direct result or interruption of the following incoming and outgoing services. The interruption must result from direct physical loss or damage by a covered cause of loss to the following property, not on the described premises:

Covered services are incoming electric, gas, fuel, steam, water, refrigeration, and outgoing sewerage, telephone and telecommunication.

There will be no coverage for; deliberate act(s) by the supplying utility to shed load to maintain system integrity, **flood** or **earth movement** whether or not such coverage is provided elsewhere in this policy, any loss caused by or resulting from loss or damage to satellites, and any loss resulting from physical loss or damage to property caused by or resulting from **terrorism**. Resultant and concurrent interruptions will be considered as one event.

27. Arson or Theft Reward:

This policy is extended to cover payment of any reward offered on the Insured's behalf for information that leads to conviction of the perpetrator(s) of:

- a) Arson; or
- b) Theft;

To insured property.

The company's total liability for any one **occurrence** will not exceed the lesser of:

- a) The sub-limit of liability shown in the Supplemental Declarations; or
- b) Ten Percent (10%) of the direct physical loss or damage to insured property.

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The company's payment of this reward will not increase regardless of the number of informants providing information that leads to a conviction.

This coverage does not cover payment of any reward offered on the Insureds behalf for information that leads to the conviction of the perpetrators of **terrorism** whether direct or indirect.

28. Money:

This policy is extended to cover direct physical loss or damage to **money** by **named perils**, except employee dishonesty.

29. Locks and Keys:

This policy is extended to cover the reasonable and necessary expense incurred by the **Insured** for replacing locks and keys by direct physical loss or damage insured by this policy.

Coverage includes the actual cost to replace, adjust or reprogram undamaged locks to accept new keys or entry codes.

30. Tenants Legal Liability and Expense:

This policy is extended to cover direct physical loss or damage by **named perils** to that part of buildings of others, including permanently attached building fixtures, leased to and occupied by the Insured at a **described location** to the extent of the Insured's legal liability for such loss or damage.

a) Coverage provided by this Policy Sub-limit includes the following as respects any suit alleging loss or damage to that part of such buildings of others leased to and occupied by the Insured. The following are within and not in addition to the sub-limit of liability:

- i. Reasonable expenses of defending the Insured against only that part of any suit alleging such physical loss or damage to that part of such buildings of others leased to and occupied by the Insured;
- ii. Reasonable expenses incurred by this company, this company's proportionate share of costs taxed against the Insured in any suit, and this company's proportionate share of interest accruing after entry of judgment until this company has paid, tendered or deposited into court its proportionate share of such judgment;
- iii. Reasonable expenses, other than loss of earnings, incurred at this company's request.

b) Additional exclusions:

This extension does not cover:

- i. Any loss resulting from physical loss or damage to any property caused by or resulting from **terrorism, Flood or Earth Movement**.
- ii. Errors and Omissions;
- iii. Any legal liability for loss or damage assumed by the Insured under any contract or agreement, whether oral or written, expressed or implied; and
- iv. That part of any settlement by the Insured to which this company has not given its prior written consent.

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c) Additional Provisions:

- i. The specified sub-limit is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limits. This policy sub-limit cannot be combined with any other policy sub-limits.
- ii. This company may investigate, negotiate and settle any claim or suite as this company deems expedient and shall not be obligated under this coverage for failure to settle for any amount within the remaining sub-limit of liability.
- iii. This company may pay, lender or deposit into court the remaining sub-limit of liability in full satisfaction of its liability under this coverage, and thereby terminate any further liability for any amount in paragraph a. above.

31. Soft Costs for Property in the Course of Construction/Renovation:

This policy is extended to cover **soft costs** as a result of direct physical loss or damage insured by this policy to insured property at **locations** undergoing alterations or additions to existing property and property in the course of construction. This coverage applies from the time of such physical loss or damage until the property is restored to the same degree of completion as existed prior to the physical loss or damage but for no more than 365 consecutive days from the date of such physical loss or damage.

32. Personal Property of Employees:

This policy is extended to cover Personal Property of officers, directors, and employees of the insured, while at a **described location**; unless otherwise scheduled on each statement of values for each State Agency entity. This extension does not apply to personal property of others while in the care, custody, or control of the insured or where contractually obligated to insure.

33. Debris Removal:

This policy covers the reasonable and necessary expense of removal of debris from a **location** remaining as a direct result of direct physical loss or damage insured by this policy to insured property.

There is no coverage for the expense of removing or disposing of:

- a) Contaminated uninsured property; or
- b) The contamination in or on uninsured property;

Whether or not the contamination resulted from direct physical loss or damage insured by this policy.

Contamination includes, but is not limited to, **pollutants**.

- c) Tree(s), unless tree(s) cause damage to real or personal property at an insured **location**, and expense is provided only for tree(s) that have caused the damage.

34. Property Removed from Described Locations:

This policy covers insured property when removed from a **location** in order to avoid or prevent immediately impending direct physical loss or damage insured by this policy to insured property.

This coverage does not include property covered by other insurance.

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This coverage applies for a period:

- a) Of 180 days from the date of removal; but
- b) Not beyond the termination or expiration date of this policy.

35. Protection and Preservation of Property:

This policy covers the reasonable and necessary costs incurred to temporarily protect or preserve insured property, at a **location** in order to avoid or prevent immediately impending direct physical loss or damage insured by this policy to insured property.

This coverage does not cover costs incurred to temporarily protect or preserve property to avoid or prevent immediately impending physical loss or damage covered by Section C., Policy Sub-limits, Item 23. **Terrorism.**

D. PROPERTY EXCLUDED

This policy does not insure the following property unless coverage is specifically included in Section C., Policy Sub-limits, or elsewhere in this policy:

1. Land, water, or any substance in or on land, pavement and roadways, trees, shrubs, plants and lawns, growing crops or standing timber, and animals.
2. Bridges and tunnels used for vehicular traffic, reservoirs, canals and dams.
3. Furs and fur garments; jewels, jewelry, watches, pearls; precious and semi-precious stones, gold, silver, platinum and other precious metals and alloys; all for loss caused by theft. This exclusion does not apply to precious metals and precious stones used by the **Insured** for industrial purposes.
4. Currency, **money**, notes, **securities**, accounts, bills, tickets, tokens, evidences or debt.
5. **Electronic data processing media and data, valuable papers and records, and fine arts.**
6. Motor vehicles licensed for highway use or owned by officers and employees of the insured, except this does not include scheduled camper trailers and boat trailers.
7. Satellites, aircraft and Unmanned Aircraft Systems (UAS) drones.
8. Personal property sold by the Insured under conditional sale, trust agreement, installment payment, or deferred payment plan after delivery to the customer.
9. Personal property in the custody of the Insured acting as a warehouseman, bailee for hire, or carrier for hire.
10. Underground mines, caverns, and mining property within the foregoing,
11. Property while in transit.
12. Underground Pipes, Cables, Tanks, Flues, Drains, Vaults and Caskets.

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E. PERILS EXCLUDED

GROUP I. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Loss or damage is excluded regardless of any other cause or event whether or not insured under this policy that contributes concurrently or in any sequence to the loss or damage.

1. Nuclear reaction or nuclear radiation or radioactive contamination. However;
 - a. If physical damage by fire or sprinkler leakage results, then only that resulting damage is insured but not including any loss or damage due to nuclear reaction or nuclear radiation or radioactive contamination.
 - b. This policy does insure against physical loss or damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted at **location**, provided that at the time of such loss or damage there is neither a nuclear reactor nor any new or used nuclear fuel at the **location**. Such coverage does not apply to any act, loss or damage excluded in Section E., Perils Excluded, Group I, Item 2 f.
2.
 - a) Hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending or expected attack by:
 - i. Any government or sovereign power (de jure or de facto);
 - ii. Any military, naval or air forces; or
 - iii. Any agent or authority of any party specified in (1) or (2) above.
 - b) Discharge, explosion, or use of any nuclear device, weapon, or material employing or involving nuclear fission, fusion, or radioactive force, whether in time of peace or war, and regardless of who commits the act.
 - c) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such an event.
 - d) Seizure or destruction under quarantine or customs regulation, or confiscation by order of government or public authority.
 - e) Risks of contraband or illegal transportation or trade.
 - f) **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **Terrorism** or suspected **Terrorism**, except to the extent provided in Section C, Policy Sub-limits, 23. **Terrorism**. However, if direct loss or damage by fire results from any of these acts (unless committed by or on behalf of the insured), then this Policy covers only to the extent the **Actual Cash Value** of the resulting direct loss or damage by fire to property insured. This coverage exception for such resulting fire loss or damage does not apply to any coverage provided in any Business Interruption Endorsement, if any, which may be a part of this Policy, or any extension of such coverage, or to any other coverages provided by this Policy.

Any act which satisfies the definition of **Terrorism** provided in Section G, Definitions, or in any **Terrorism** Endorsement to this policy, shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage which may be covered elsewhere in this Policy.

If any act which satisfies the definition of **Terrorism** provided in Section G, Definitions, or in any **Terrorism** Endorsement to this policy, also comes within the terms of the hostile or warlike action exclusion of this Policy in Section E, Group I, 2.a., the hostile or warlike action exclusion applies in place of this exclusion.

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If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, this exclusion applies in place of the nuclear hazard exclusion of this Policy, Section E, Group I, 1.

3. Loss of market; loss of use; damage or deterioration arising from any delay, whether such delay is caused by a peril insured against or otherwise; loss caused by any legal proceeding.

4. a) Misappropriation;
b) Conversion;
c) Infidelity; or
d) Any dishonest act;

Whether committed alone or in collusion with others at any time, on the part of the Insured or any additional interest, employees, directors, officers, or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted). A willful act of destruction committed by employees of the Insured or others listed above, without the knowledge of the Insured, resulting in physical damage, is covered. Such coverage does not apply to any act excluded in Section E., Perils Excluded, Group I, Item 2 f. However, theft by employees of the Insured or others listed above is not covered.

5. a) Unexplained loss, mysterious disappearance, or loss or shortage disclosed on taking inventory; except that this exclusion will not apply to property while in the custody of any bailee.
b) The voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence.

This exclusion does not apply to coverage provided in Section C., Policy Sub-Limits, Item 22. Personal Property in Transit.

6. The lack of power or other incoming service supplied from off a **location**. If direct physical loss or damage insured by this policy results to insured property, the resulting damage is covered.

7. **Earth Movement**, except as provided in Section C., Policy Sub-limits, Item 1a.1b., **Earth Movement**. Loss by fire, explosion or sprinkler leakage ensuing from **earth** movement is covered by this policy.

This exclusion does not apply to coverage provided in Section C., Policy Sub-limits, Item 22. Personal Property in Transit.

8. Indirect or remote loss.

9. The failure or malfunction of any **Exterior Insulation and Finish System (EIFS)** or the cost to repair the **EIFS**, including loss or damage caused by:

- a) Water penetration from any source;
b) Failure of sealants in any form;
c) Leaching of any kind;
d) Discoloration of the exterior paint or finish, or
e) Damage to materials between the **EIFS** and the interior finish of the building; damage to the interior finish of the building.

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Any other loss or damage resulting from the failure or malfunction of the **EIFS** to prevent migration of water into the structure is excluded unless fire, explosion, or sprinkler leakage results, in which case this policy covers only the damage caused by the fire, explosion, or sprinkler leakage.

10. **Fungus, mold or mildew**, except as provided in Section C., Policy Sub-limits, Item 24.
11. Bookkeeping, accounting, or billing error or omission; alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable; committed to conceal the wrongful giving, taking, obtaining or withholding of **money, securities**, and/or other property as respects to Section C., Policy Sub-limits, Item 17. Accounts Receivable.
12. This policy does not cover the interests of a contractor to the extent that the Insured has agreed, prior to loss, to keep such interests insured.

GROUP II. This policy does not insure against loss or damage caused by the following; however, if direct physical loss or damage insured by this policy results, then that resulting direct physical loss or damage is covered.

1. Wear and tear, deterioration, inherent vice, latent device, vermin or insects.
2. Defects in materials, faulty workmanship, faulty construction or faulty design.
3. Loss or damage to stock or materials attributable to manufacturing or processing operations while such stock or materials are being processed, manufactured, tested, or otherwise being worked upon.
4. Dampness or dryness of atmosphere; changes of temperature: freezing, except damage to fire protective equipment caused by freezing; heating shrinkage; evaporation; depletion; erosion; loss of weight; change in color, flavor, texture or finish; rust; corrosion
5. Contamination, including but not limited to **pollution**.
6. Settling, cracking, shrinkage, bulging, or expansion of:
 - a) Foundations;
 - b) Walls;
 - c) Floors;
 - d) Roofs;
 - e) Ceilings.
7. Exposure to rain, sleet, snow, sand, or dust to personal property in the open.

F. GENERAL CONDITIONS:

1. First Named Insured:

The First Named Insured shown in the declarations section:

- a) Is responsible for the payment of all premiums
- b) Will be the payee for any return premiums

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- c) May authorize changes in the terms and conditions of this policy with the consent of the company.

This policy's terms can be amended or waived only by endorsement issued by this company and made a part of this policy.

Loss or damage will be adjusted with the first named Insured and payable to or as the first named Insured directs subject to: mortgagee; lender; or similar interests; as their interest may appear as shown on the certificates of insurance issued prior to loss by the insured's broker and on file with this company. The effective date of any interests will be the issue date of the certificates unless a later date is specified on the certificate of insurance.

2. Inspections:

This company, at all reasonable times, will be permitted, but will not have the duty, to inspect property.

This company's:

- a) Right to make inspections; or
- b) Making of inspections or inspection reports;

Will not constitute an undertaking, on behalf of or for the benefit of the named Insured or others, to determine or warrant that any property is safe or healthful.

3. Examination of Books and Records:

This company or its duly appointed representative will be permitted to:

- a) inspect the insured property;
- b) Examine and audit books and records;

As they relate to this policy:

- a) Any time during the policy period.
- b) Up to three years after the expiration of coverage.

4. No Benefit to Bailee:

No person or organization, other than the Insured, having custody of insured property will benefit from this insurance.

5. Control of Property:

This policy will not apply to any **location** where there is an increase in hazard over which the Insured has control and knowledge. Any increase in hazard at one or more **locations** will not affect coverage at other **locations** where, at the time loss or damage, the increase in hazard does not exist.

6. Retentions / Deductibles Clause:

A) Application of Aggregate Retentions and Deductibles:

1. For the annual period commencing with the effective date of this policy and each annual period thereafter, this company will not be liable for loss to covered property until the Insured sustains a loss or losses that exceeds the aggregate retention of \$2,500,000, regardless of the number of

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locations affected and only after the applicable State Agency Entity retentions outlined in Endorsement B are satisfied for each loss that would have been payable under this policy.

2. If the Insured's aggregate retention of \$2,500,000 is exceeded during any applicable policy year, the State Agency Entity retention amounts outlined in Endorsement B will apply for each loss under this policy for the remaining unexpired term of that policy year. Each applicable State Agency Entity retention shall apply in the event an occurrence involves more than one State Agency Entity.

3. Any subsequent recoveries on losses reported to the company for purposes of arriving at the Insured's aggregate retention will be applied as if they were received prior to the payment of any loss. For purposes of this coverage, the term aggregate retention will mean the total of the Insured's net self-insured retention per claim after the application of all salvage, subrogation, or other recoveries have been realized. Any subrogation or recovery received after the Insured's aggregate retention has been paid shall be remitted directly to the company from the State Agency Entity or other applicable source.

4. Losses caused directly by **Earth Movement, Flood, Boiler and Machinery, or Money**, if such coverage is provided, will not be included in the aggregate retention of losses retained by the Insured described in the first paragraph of this aggregate retention section and such losses will be subject to the respective retentions and deductibles for **Earth Movement, Flood, Boiler and Machinery, and Money**.

5. Each applicable State Agency Entity retention, for each loss, shall apply separately as outlined in Endorsement B. However, the maximum per occurrence State Agency Entity retention applied shall not exceed the largest applicable retention, if multiple retentions apply.

B) Other Loss Category Retentions and Deductibles:

The following deductible amounts shall apply per occurrence for loss or damage under this policy as outlined in the loss categories below:

1. All Risks of Direct Physical Loss or Damage State Agency Entity Retention per occurrence:

Retentions ranging from \$2,500 to \$100,000, as applicable to various State Agency Entities separately as outlined in Endorsement B, shall apply for each loss that is payable under this policy loss. Each applicable State Agency Entity retention shall apply in the event an occurrence involves more than one State Agency Entity.

All risks of direct physical loss or damage losses shall apply to the aggregate retention; except as follows:

2. Earth Movement Retention (per occurrence for all coverages provided):

For each occurrence, this company will not be liable for loss or damage to insured property unless the amount of loss or damage exceeds 5% of the combined value of property at the **location** where loss or damage occurs, in accordance with the valuation section of this policy and annual business interruption value as defined in the Business Interruption Endorsement attached to this policy at the time such loss or damage at the **location** where loss occurs, subject to a minimum deductible amount of \$25,000 per **location**. If coverage is provided for more than one **location**, this deductible percentage or minimum deductible amount will be calculated for and applied separately to each **location**. **Location** is defined as per line listed on statement of values, not physical address.

Earth Movement Losses shall not apply to the aggregate retention.

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3. Flood Retention (per participating State Agency Entity, per occurrence for all coverages provided):

Zone A locations – to apply per location per occurrence for all coverages provided:

\$500,000 Real Property

\$500,000 Personal Property

All other Zones – to apply per participating State Agency Entity per occurrence for all coverages provided:

\$100,000.

Location means the location as specified in the current Schedule of Values on file with the company. A location is further defined where there is continuous land ownership for each described location scheduled for an insured State Agency Entity. Any railroad, roadway, or waterway shall not render such separation for the purpose of this definition. It is further understood that if multiple State Agency Entities are considered as part of one **Location**, each State Agency Entity will have its own separate **flood** retention. If various retentions are involved within a single State Agency Entity for a **flood** at one **Location** then the largest retention will apply per State Agency Entity.

***Flood** Losses shall not apply to the aggregate retention.*

4. Boiler and Machinery Deductible:

\$10,000 Per Occurrence.

***Boiler and Machinery** Losses shall not apply to the aggregate retention.*

5. Money Deductible:

\$50,000 Per Occurrence.

***Money** Losses shall not apply to the aggregate retention.*

7. Vacant or Unoccupied Buildings:

When a building becomes vacant or unoccupied because normal operations have ceased for (60) sixty consecutive days; then the company will:

- 1) Not cover any loss or damage caused by or resulting from: vandalism, sprinkler leakage, breakage or building glass, water damage, theft, attempted theft, any loss covered under C., Policy Sub-Limits, Item 20. Demolition and Increased Cost of Construction and any loss covered under C., Policy Sub-Limits, Item 24. Fungus, Mold or Mildew; all regardless of the cause of loss; and
- 2) Value the loss or damage at such building on the lesser of the actual cash value, the cost to repair, or the sale value of the property less the value of the land.

8. Other Insurance / Excess Insurance / Underlying Insurance:

If there is other insurance covering the same loss or damage that is covered:

- a) Under this policy; and
- b) Any other policy;

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Then this insurance will apply only as excess and in no event as contributing insurance, and then only after all other insurance has been exhausted, whether or not such insurance is collectible.

Permission is granted for the Insured to purchase:

- 1) Excess insurance over the limit(s) of liability in this policy;
- 2) Underlying insurance on all or any part of the deductibles of this policy.

If the limits of the underlying insurance exceed the deductible that would apply under this policy, then the insurance provided by this policy will apply only after that portion that exceeds the deductible has been exhausted.

Except for the foregoing, the existence of such underlying or excess insurance will not:

- a) Prejudice; or
- b) Reduce;

Any recovery payable under this policy.

9. Reinstatement of Limits after a Loss:

Except for those perils subject to an annual aggregate limit of liability, any loss or payment of any claim will not reduce the amount payable under this policy.

10. Liberalization Clause:

If this company adopts a revision that would broaden the coverage under this policy Form without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

11. Transfer of Rights and Duties under this Policy:

The Insured's rights, interests and duties under this policy may not be transferred or assigned without this company's written consent

12. Legal Action against this Company:

No suit, action, or proceeding for the recovery or any claim under this policy, will be sustainable in any court of law or equity unless:

- a) The insured has fully complied with all terms and conditions of the policy; and
- b) Such suit, action or proceeding is initiated within two years after the date on which the direct physical loss or damage first commenced or occurred.

13. Subrogation:

The Insured must cooperate in any subrogation proceedings. This company may require from the Insured an assignment of all rights of recovery against any party for loss to the extent of this company's payment.

This company will not acquire any rights of recovery that the Insured has expressly waived prior to a **loss**. No such waiver will affect the Insured's rights under this policy.

Any recovery from subrogation proceedings, less expenses incurred by this company in such proceedings, will be payable to the Insured in the proportion that the amount of:

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- a) Any applicable deductible; and
 - b) Any provable uninsured loss;
- Bears to the entire loss amount.

14. Basis of Valuation:

Adjustment of loss amount(s) under this policy will be determined based on the cost of repairing or replacing (whichever is the lesser), at the time of loss, with materials or equipment of like kind and quality without deduction for depreciation, except as provided in this valuation section.

- a) The following property, unless endorsed, will be valued at the time of loss as follows:
 - 1. **Stock in process:** the value of **raw materials** and labor expended plus the proper proportion of overhead charges.
 - 2. **Finished goods** manufactured by the Insured, and other goods sold awaiting delivery: the regular cash selling price at the **location** where loss occurs, less all discounts and charges which the Merchandise would have been subject to had no loss occurred.
 - 3. **Raw materials**, supplies, and other merchandise not manufactured by the Insured: the replacement cost.
 - 4. Property of others: the amount for which the Insured is legally liable, but not exceeding the replacement cost.
 - 5. Un-repairable electrical and mechanical equipment, including **electronic data processing equipment**, the cost to replace with equipment that is the most functionally equivalent to that damaged, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program enhancement.
 - 6. Should Electronic Data and Media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any Electronic Data and Media contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$25,000,000 any one loss, incurred by the Insured in recreating, gathering and assembling such Electronic Data and Media. If the data and media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this Policy does not insure any amount pertaining to the value of such Electronic Data and Media to the Insured or any other party, even if such Electronic Data and Media cannot be recreated, gathered or assembled.
 - 7. Landscaping Improvements will be limited to standard local nursery stock.
 - 8. **Fine arts** are valued at the lesser of:
 - a. The cost to repair or restore the article to the condition that existed immediately prior to the loss;
 - b. The cost to replace the article; or

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- c. The value designated for the article on the schedule of **fine arts** on file with this company.

In case of physical loss or damage to an article that is part of a pair or a set, this company will pay the full amount of the value of such pair or set only if the damaged article cannot be repaired or restored to its condition before the loss; and the Insured surrenders the remaining article or articles of the pair or set to the company.

- 9. Accounts receivable is valued at the sum due which the Insured is unable to collect from customers, and includes:
 - a. Interest charges on any loan to offset impaired collections pending repayment of such sums that can not be collected;
 - b. Collection expenses in excess of normal collection cost; and
 - c. Other reasonable expenses incurred by the Insured in recreating records of accounts receivable.

If the Insured is unable to accurately determine the amount of outstanding accounts receivable at the time of loss, the following method will be used:

- (1) Determine the total average monthly amounts of accounts receivable *for* the 12 months immediately preceding the month in which loss occurs; and
- (2) Adjust that total for any fluctuations in the month in which loss occurs, or for any demonstrated variance for that month.

Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted.

After payment of loss by the company, all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified will belong to and be paid to the company by the Insured up to the total amount of loss paid by this company. All recoveries in excess of such amounts will belong to the Insured.

- 10. **Valuable papers and records** is valued at: the cost to replace or restore the property with other of like kind and quality including the cost of researching, gathering and/or assembling information. If the information is not replaced or restored, the company will pay the blank value of such **valuable papers and records**.
- 11. Property while in transit is valued as follows:

- a. For property shipped to or for account of the Insured: the actual invoice to the Insured, together with such costs and charges (including the commission of the Insured as selling agent) as may have accrued and become legally due on such property.
- b. For property that has been sold by the Insured and shipped to or for account of the purchaser (if covered by this policy): the amount of the Insured's selling invoice, including prepaid or advanced freight.
- c. For property not under invoice: the actual cash market value at point of destination on the date of disaster, less any charges saved which would have become due and payable upon delivery at destination.

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12. Property that is damaged by fire and such fire is the result of **terrorism** and the statutory law of the jurisdiction in which the physical loss occurs requires coverage for such direct physical damage by fire, the **actual cash value** for any portion of the fire damage loss which exceeds the limit of liability provided in the declarations section.
13. With respect to buildings designated by a local, state, or federal authority to be of historical significance or of historical value, such rebuilding, repairing or replacement shall be with modern material, workmanship processes, technologies and designs, and shall not include the cost of re-creating outdated, archaic or antiquated materials, workmanship, processes, technologies, or designs, whether or not such cost otherwise would be covered under Section C., Policy Sub-limits, Item 20., Demolition and Increased Cost of Construction.

This does not apply to buildings where the values reported include the cost of re-creating outdated, archaic or antiquated materials, workmanship, processes, technologies, or designs, whether or not such cost otherwise would be covered under Section C. Policy Sub-limits Item 20., Demolition and Increased Cost of Construction.

14. Lawn care equipment with a combustion engine of 20hp or less will be valued at Replacement cost valuation.
15. Library Books, Periodicals, and Rare Books:
- a. Library Books and Periodicals will be valued at the lesser of:
 - 1) The value designated for each book and periodical (including the cost of re-shelving and processing) as:
 - i. Books - \$500.00 per volume on average
 - ii. Audio/Visual - \$600.00 per volume on average
 - iii. CDs - \$700.00 per volume on average
 - 2) The cost to repair or restore the article to the condition that existed immediately prior to the loss.
 - b. Rare Library books will be valued at the lesser of:
 - 1) The cost to repair or restore the rare book to the condition that existed immediately prior to the loss;
 - 2) The cost to replace the rare book; or
 - 3) The value designated for the rare book on the schedule of Rare Books on file with this Company, if not scheduled, the value designated for each rare book as shown in the declarations.

In case of loss or damage to an article that is part of a pair or set, this company will pay the full amount of the value of such pair or set only if:

- (a) The damaged article cannot be repaired or restored to its condition before the loss; and
- (b) The Insured surrenders the remaining article or articles of the pair or set to the company.

b) The Insured may:

- 1. Voluntarily elect to rebuild on another site provided that such rebuilding does not increase the amount of loss or damage which would otherwise be payable to rebuild at the current site.

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2. Submit claim based on the **actual cash value** of the property lost or damaged until repair or replacement has been completed. The Insured may still claim for the additional coverage which replacement cost provides if notification of intention to do so is received by the company within 180 days after the loss or damage.
- c) Replacement cost is subject to all the terms, conditions and limitations of the policy (including any endorsements) and the following additional provisions:
1. The Insured must execute repairs or replacement with due diligence and dispatch.
 2. In no event will payment exceed the actual cost incurred for repairs, replacement, or the limit of liability stated in this policy, whichever is the lesser.
 3. If during the term of this policy, any insured real property is offered for sale, the liability for loss or damage will not exceed the lesser of:
 - a. The price of the offer for sale while the property is offered for sale (with proper deduction for the value of any land); or
 - b. The cost to repair or replace.

The Insured may elect not to repair or replace the property. Loss valuation may be elected on the lesser of repair or replacement cost basis if the proceeds of the loss valuation are expended on other capital expenditures related to the Insured's operations within two (2) years from the date of loss. As a condition of collecting under this item, such expenditures must be unplanned as of the date of loss and be made at a **described location**. This loss valuation does not include any amount that would or could have been paid under section C., Policy Sub-limits, Item 20. Demolition and Increased Cost of Construction, Items A. thru D.

If the Insured fails to comply with any of the valuation provisions or does not repair or replace the property within two (2) years from the date of loss, the basis of valuation will revert to the **actual cash value** as defined in this policy.

- d) Agreed Value Amount when specified.

Agreed Value amount means replacement cost up to the limit of liability scheduled for the damaged building or structure. The State shall have the option to reconstruct the same building, similar building or different building at the same **location** or different **location**, up to the agreed value amount, or accept a cash settlement for the full-agreed amount, less the retention. All claims will be based on repair or replacement with like construction materials at the same **location**.

15. Brands and Labels:

If branded or labeled property covered by this policy is damaged by direct physical loss or damage insured by this policy and this company elects to take all or any part of such property at the value established by the terms of this policy, the Insured may at insured's own expense:

- a. Stamp "salvage" on the property or its containers; or
- b. Remove or obliterate the brands or labels;

If doing so will not physically damage the property.

The Insured must re-label the property or containers in compliance with the requirements of law.

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16. Pairs and Sets:

This policy covers the reduction in value of the undamaged portion of Insured personal property that is a part of a pair or set directly resulting from direct physical loss or damage insured by this policy to other insured parts of such pairs or sets. If settlement is based on a constructive total loss, the Insured will surrender the undamaged parts of such property to the company.

17. Cancellation:

- a. The first named Insured may cancel this policy at any time by:
 - 1) Surrendering the policy to the company
 - 2) Mailing or delivering to the company advance written notice of cancellation.
- b. This company may cancel this policy by:
 - 1) Mailing; or
 - 2) Delivering;

Written notice of cancellation to the first named Insured at the address as stated in the declarations section, not less than:

- a) Ninety (90) days; or
- b) Ten (10) days for non-payment of premium;

Before the effective date of cancellation.

Proof of mailing or delivery will be sufficient proof of notice.

- c. This company will return unearned premium to the Insured:
 - 1) On a pro rata basis if this company cancels the policy.
 - 2) 90% of the pro rata basis if the Insured cancels the policy.

18. Currency:

Any amounts specified in this policy, including but not limited to premium, limit(s) of liability, deductible(s), and loss payable will be considered to be in Canadian currency for **locations** situated in Canada and in United States of America currency for all other **locations**, unless, specified otherwise.

19. Conformity to Statute:

Terms of **this** policy, which are in conflict with the statutes of the jurisdiction where the insured property is located, are amended to conform to such statutes.

20. Suspension:

Upon discovery of a dangerous condition, any representative of the company may immediately suspend **the boiler and machinery** insurance with respect to any machine, vessel or part thereof by giving written notice to the Insured. The insurance that is suspended may be reinstated by the company. The insured will be allowed the return of the unearned portion of the premium resulting from the suspension of insurance.

If coverage is suspended, it will also be immediately suspended for any:

- a) Mortgagee;
- b) Lender; or
- c) Additional named interest;

By written notice of suspension.

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G. DEFINITIONS:

Actual Cash Value means the cost to repair or replace the property, at the time and place of the loss or damage, with material of like kind and quality, less proper deduction for obsolescence and physical depreciation.

Boiler and Machinery means:

1. Direct physical loss or damage originating within:
 - a. Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - 1) Waste disposal piping;
 - 2) Any piping forming part of a fire protective system;
 - 3) Furnaces; and
 - 4) Any water piping other than:
 - (a) Boiler feed water piping between the feed pump or injector and the boiler;
 - (b) Boiler condensate return piping; or
 - (c) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
 - b. All mechanical, electrical, electronic or fiber optic equipment, and
2. Caused by, resulting from, or consisting of:
 - a. Mechanical breakdown; or
 - b. Electrical or electronic breakdown; or
 - c. Extremes or changes of temperature; or
 - d. Rupture, bursting, bulging, implosion, or steam explosion.

Boiler and Machinery does not mean:

Physical loss or damage caused by or resulting from any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- a. Combustion explosions, except from within combustion gas turbines; or
- b. Explosions from liquids coming in contact with molten materials; or
- c. Accidental discharge, escape, leakage, back-up, or overflow to the open of any material from confinement within piping, plumbing systems, or tanks except from property described in item 1 above; or
- d. Fire, or from the use of water or other means to extinguish a fire.

Described Locations means the locations described in the most current Schedule of Values on file with the Company .

Earth Movement means any natural **or man-made, earth movement**, including but not limited to earthquake; landslide, mudflow, subsidence and earth sinking, rising or shifting that results from, contributes to, or is aggravated by any of the above.

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Earth Movement Zones 2 and 3:

The following are considered Zone 2 and 3 Counties:

Clay, AR
Craighead, AR
Crittenden, AR
Cross, AR
Greene, AR
Independence, AR
Jackson, AR
Lawrence, AR
Lee, AR
Mississippi, AR
Monroe, AR
Phillips, AR
Poinsett, AR
Randolph, AR
St. Francis, AR
White, AR
Woodruff, AR

Electronic Data Processing (EDP) Equipment means data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. Equipment does not include electronic systems that control production machinery or the production machinery itself or any memory bank attached to the production machinery. Equipment does not include property in the course of manufacture or property the Insured holds for sale or demonstration.

Electronic Data and Media means data, messages, information, coding, programs, instructions or any other software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment and distributed by means of a computer network or is produced in a format for use with a computer.

Exterior Insulation and Finish System (EIFS) means any exterior cladding or finish system used on any part of any structure and consisting of: a rigid or semi-rigid insulation board made of expanded polystyrene or other materials; adhesive and/or mechanical fasteners used to attach the insulation board to the substrate; a reinforced base coat; and a finish coat providing surface texture and color, including sealant around windows and other penetrations.

Fine Arts means paintings; etchings; pictures; tapestries; rare or art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit, excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, **money, securities.**

Finished Goods means stock manufactured or processed by the Insured which is ready for packing, shipment, or sale.

Flood means any surface water; tidal or seismic sea wave; tsunami; rising (including overflowing or breaking of boundaries) of any body of water, including but not limited to reservoirs, lakes, streams, rivers, ponds and harbors all whether driven by wind or not, and including spray from any of the foregoing that results from, contributes to, or is aggravated by any of the above. **Flood** also includes physical loss or damage from water which backs up through sewers or drains that are below ground level as a result of **flood.**

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Flood Zone Definitions:

Zone A Flood Definition -

1. Any **flood** zone or area designated by the Federal Emergency Management Agency (FEMA) as subject to a **flood** frequency up to and including the 100 year frequency; or
2. The peril of **flood** is covered in an area protected by dams, levees, dikes, or walls which:
 - a. Protect such areas from at least the level of the 100 year **flood**, and have no such openings or **flood** gates, and
 - b. Were built by and are either maintained or inspected by the United States (U.S.) Army Corps of Engineers.

Zone B and Zone X Shaded Flood Definition -

1. Any **flood** zone or area designated by the Federal Emergency Management Agency (FEMA) as subject to a **flood** frequency greater than 100 year frequency and up to but not including areas outside the 500 year frequency; or
2.
 - a. Protect such areas from at least the level of greater than 100 year **flood** and up to but not including areas outside the 500 year **flood**, and have no such openings or **flood** gates; and
 - b. Were built by and are either maintained or inspected by the United States (U.S.) Army Corps of Engineers.

Fungus, Mold or Mildew means: fungus; including but not limited to mildew and mold; protist; wet rot; dry rot; or bacterium; or chemical matter or compounds produced or released by such fungus, protist, wet rot, dry rot, or bacterium.

Location means **described location**, Unnamed Location, or Newly Acquired Property

Money means USA Federal Reserve Notes, USA minted coins, bank notes and bullion, and traveler checks, registered checks and money orders held for sale to the public only

Named Perils means: fire, lightning, **wind and/or hail**, explosion, smoke, impact from aircraft and vehicles, objects falling from aircraft, strike, riot, civil commotion, vandalism, theft, attempted theft, sprinkler leakage, or collapse of buildings.

Occurrence means any one loss, disaster, casualty, or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of ice storm, tornado, cyclone, hurricane, windstorm, hail, **flood**, riot, riot attending a strike, civil commotion, vandalism and malicious mischief, or **terrorism**, one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the Insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which may not be earlier than the time when the first loss to covered property occurs.

Pollutant means any solid, liquid, gaseous or thermal irritant or substance, including, but not limited to, fiber, smoke, vapor, soot, fumes, acids, alkalis, chemicals, biological agents and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.

Pollution means the presence, discharge, dispersal, seepage, migration, release or escape of any

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material, which causes or threatens damage to human health or human welfare, or causes or threatens damage, deterioration, and loss of value, marketability, or loss of use to insured property. Such material includes but is not limited to fungi, bacteria, virus, hazardous substances, or **pollutants**.

Processing Water means water that is contained within any enclosed tank, piping system or any other processing equipment.

Raw Materials mean materials and supplies in the state in which the Insured receives them for conversion by the Insured into **finished goods**.

Securities mean negotiable and non negotiable instruments or contracts representing money and includes: tokens; tickets; revenue and other stamps (whether represented by actual stamps or unused value in a meter); and evidence of debt issued in connection with credit card or charge cards that are not issued by the Insured. **Securities** do not mean **money**.

Sewer Back Up means water which backs up through sewers or drains that are below ground level. **Sewer back up** does not mean loss or damage from water, which backs up through sewers or drains that are below the ground as a result of **flood**.

Soft Costs means the expenses over and above normal expenses at **locations** undergoing alterations or additions to existing property and property in the course of construction limited to the following:

1. Construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, and charges by the lenders for the extension or renewal of loans necessary.
2. Commitment fees, leasing and marketing expenses - the cost of releasing and marketing of the Insured Project due to loss of tenant(s) or purchaser(s).
3. Additional fees - for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction as a direct result of direct physical loss or damage.
4. Carrying costs - building permits, additional interest on loans, insurance premiums and property and realty taxes.

Stock in Process means **raw materials** or stock, which has undergone any aging, seasoning, mechanical or other process or manufacture, but which is not **finished goods**.

Terrorism means:

As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of **Terrorism** is agreed that an event defined as a Certified Act of Terrorism under the terms of the NATIONAL UNION FIRE INSURANCE COMPANY TERRORISM RISK INSURANCE ACT OF 2002 ENDORSEMENT attached to this policy shall be considered **Terrorism** within the terms of this policy. Notwithstanding anything contained in this policy to the contrary, this policy provides coverage for direct physical loss or damage to insured property and any resulting Business Interruption loss, as provided in the policy, caused by or resulting from a Certified Act of Terrorism only to the extent coverage is provided under the terms and conditions of the NATIONAL UNION FIRE INSURANCE COMPANY TERRORISM RISK INSURANCE ACT OF 2002 ENDORSEMENT attached to this policy. Any difference in limit between loss recoverable under the NATIONAL UNION FIRE INSURANCE COMPANY TERRORISM RISK INSURANCE ACT OF 2002 ENDORSEMENT and this policy is not recoverable under this policy.

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Vacant or Unoccupied Building(s) means a Building will be considered vacant or unoccupied when the insured does not maintain the same degree of fire protection, watch, alarm service, maintenance and occupancy due to a cessation of normal operations including substantial removal of business personal property necessary to conduct normal business operations.

Valuable Papers and Records mean inscribed, printed or written: documents; manuscripts or records including abstracts; and, accounting records, blueprints, specification manuals, deeds, drawings, films, maps, or mortgages. Valuable Papers are not **money, securities** and stamps; converted data programs or instructions used in the Insured's data processing operations; or, materials on which data is recorded.

Wind and/or Hail means direct and/or indirect action **of wind and/or hail** and all loss or damage resulting therefrom whether caused by wind, by hail or by any other peril other than fire or explosion including but not limited to, loss or damage caused when water, in any state, rain, sleet, snow, sand, dust or any other substance, material, object or thing is carried, blown, driven or otherwise transported by wind onto or into said **location**.

**Business Interruption Endorsement
Gross Earnings/Rents/Extra Expense**

1. COVERAGE PROVIDED:

This policy covers the actual loss sustained by the Insured due to the necessary interruption of production or business operations or services during the period of interruption of the following:

A. Gross Earnings, Rents, and Expense to Reduce Loss; and

B. Extra Expense;

Directly resulting from direct physical loss or damage insured by this policy to property not excluded, utilized by the insured, and at a **location**, but only to the extent the Insured is unable to make up production and resume or continue operations or services, partially or entirely, by utilizing damaged or undamaged property all whether or not at a **location(s)**.

C. Gross Earnings from Property In Transit

D. Ordinary Payroll:

This policy covers the actual loss sustained of **ordinary payroll** during the period of interruption as a direct result of direct physical loss or damage insured by this policy, to property not excluded, utilized by the insured, and at a **location**, causing an interruption of production or business operations or services which results in a loss of **gross earnings**. This coverage is provided for no more than the number of consecutive days shown in the Supplemental Declarations, and only to the extent that such payroll would have been earned had no interruption occurred.

If the Insured reduces the daily loss otherwise payable under this policy sub-limit, either by:

- 1) Providing gainful employment for; or
- 2) Paying less than the normal payroll rate to;

All or part of its employees, then the number of consecutive days provided above may be extended in proportion to such reduction of loss otherwise payable. In no event will this provision increase the total liability of the company beyond the amount for which it would have been liable for this coverage without this additional provision.

Coverage is not provided for loss caused by or resulting from **terrorism**.

E. Civil Authority:

This policy covers **business interruption** when, as a direct result of direct physical loss or damage of the type insured by this policy to property not excluded by this policy, access to the **location** is prohibited by order of civil authority. This coverage is provided for no more than the number of consecutive days as shown in the Supplemental Declarations starting from the time of such order of civil authority.

Coverage is not provided for loss caused by or resulting from **terrorism**

Business Interruption Endorsement Gross Earnings/Rents/Extra Expense

F. Contingent Business Interruption Coverage:

This policy covers **Business Interruption** as a direct result of direct physical loss or damage of the type insured by this policy to property not excluded at the premises of direct suppliers and/or direct customers.

Suppliers and/or customers do not include entities supplying to or receiving from a **location** electricity, fuel, water, steam, refrigeration, sewage or communications services of every type and description.

Loss sustained by the insured resulting from **Flood** and/or **Earth Movement** whether or not such coverage is provided elsewhere in this policy is not covered.

Coverage is limited to property anywhere in the world except in the following countries, provinces or jurisdictions;

Afghanistan, Algeria, Angola, Armenia, Azerbaijan, Bosnia and Herzegovina, Botswana, Burundi, Chechnya, China (Kashmir area), Croatia, Eritrea, Ethiopia, Cuba, Haiti, Iran, Iraq, India (Kashmir area), Lebanon, Liberia, Libya, Montenegro, Montserrat, Myanmar (Burma), Nigeria, North Korea, Pakistan, Rwanda, Serbia, Somalia, Sudan, Sri Lanka, Syria, Turkish provinces of Agri, Bingol, Bitlis, Diyarbakir, Elazig, Hakkari, Mardin, Mus, Siirt, Urfa, and Van, The Democratic Republic of the Congo (former Zaire) and Yemen.

Or any other country where trade relations are unlawful as determined by the Government of the United States of America or its agencies.

Coverage is not provided for loss caused by or resulting from **terrorism**

G. Research and Development Expense:

This policy covers **Ordinary payroll** and loss of continuing fixed charges and expenses as a direct result of direct physical loss or damage insured by this policy to insured property not excluded at a **location** and utilized in research and development activities. The **Ordinary payroll** and continuing fixed charges and expenses must be directly attributable to such research and development activities, which in themselves would not have produced income during the period of interruption.

Coverage is not provided for loss caused by or resulting from **terrorism**

H. Ingress/Egress:

This policy covers **Business Interruption** as a direct result of physical loss or damage of the type insured by this policy to property not excluded by this policy when ingress to or egress from a **location(s)** is physically prevented by such loss or damage.

Coverage is not provided for loss caused by or resulting from **terrorism**

I. Tax Treatment:

This policy covers increased tax liability as a direct result of direct physical loss or damage insured by this policy to property not excluded by this policy. If the tax liability is greater than the tax liability that would have been incurred had no such loss occurred, then this policy will cover only the increased tax liability for the profit portion of the physically damaged **finished goods**, and the profit portion of the **gross earnings** and **rents** loss.

Coverage is not provided for loss caused by or resulting from **terrorism**

Business Interruption Endorsement Gross Earnings/Rents/Extra Expense

J. Extended Period of Indemnity:

This policy covers **Gross Earnings** during the time it takes to restore the Insured's business, with due diligence and dispatch, to the probable experience that would have existed had no direct insured physical loss or damage causing an interruption of production or business operation or services occurred.

Coverage starts immediately after the Period of Interruption and runs for no more than the number of consecutive days shown in the Supplemental Declarations. This policy sub-limit does not extend the Period of Interruption for Items; D., E., G., H., and I under Section 1, Coverage Provided.

Coverage is not provided for loss caused by or resulting from **terrorism**

K. Off-Premises Service Interruption:

This policy is extended to cover **business interruption** as a direct result of the interruption of the following incoming and outgoing services. The interruption must result from direct physical loss or damage by a covered cause of loss to the following property, not on the described premises

Covered services are incoming electric, gas, fuel, steam, water, refrigeration, and outgoing sewerage, telephone and telecommunication.

This coverage does not apply to: service interruption due to deliberate act(s) by the supplying entity to shed load, to maintain system integrity, **flood, earth movement**, contingent business interruption coverage, any loss caused or resulting from loss or damage to satellites or at unnamed locations, whether or not such coverage is provided elsewhere in this policy. Resultant and concurrent interruptions are considered as one event.

2. CONDITIONS:

In determining the loss payable under this endorsement, this company will give consideration to:

- A.** The experience of the business before and after and the probable experience during the period of interruption.
- B.** The continuation of only those normal charges and expenses that would have been existed had no interruption of production or business operations or services occurred.

3. PERIOD OF INTERRUPTION:

For the purposes of determining the loss payable under this endorsement due to an interruption of production or business operation or services at a **location** resulting from direct physical loss or damage the company will apply the following:

A. For Business Operations: The period of interruption is:

- 1)** The period from the time of such loss or damage insured by this policy,

To the time

- 2)** When, with due diligence and dispatch, such lost or damaged property could be repaired or replaced and made ready for production or business operations or services under the same or equivalent physical operating conditions at the **location** that existed prior to such loss or damage.

Business Interruption Endorsement Gross Earnings/Rents/Extra Expense

B. For Buildings in the Course of Construction/Renovation: The period of interruption for alterations or additions to existing property and property in the course of construction will be determined as follows:

1) The period from the time of such loss or damage insured by this policy,

To the time

2) When, with due diligence and dispatch, such lost or damaged property could be repaired or replaced to the same or equivalent degree of completion at the **location** that existed prior to such loss or damage.

This period of time will be applied to the level of production or business operations or services that would have been reasonably achieved after construction and startup would have been completed had no such loss or damage happened.

The Period of Interruption in A and B above:

1. Will include that period for which physically lost or damaged **raw materials** would have supplied production or business operating or servicing needs.
2. Will not include any additional time resulting from the inability to procure suitable **raw materials** and/or supplies to replace those physically damaged or destroyed.
3. Will not include any additional time required for making change(s) to the buildings, or structures, for any reason except as set forth in the Demolition and Increased Cost of Construction extension contained within the policy, nor any additional time for re-staffing or retraining employees.
4. Will not be limited by the expiration of this policy.
5. Will not exceed 12 months from the inception of direct physical loss or damage caused by or resulting from **terrorism**.

4. LIMIT OF LIABILITY:

The company's maximum limit of liability per occurrence for all loss under this endorsement will not exceed the Policy Sub-limits shown in the Supplemental Declarations.

5. EXCLUSIONS:

This endorsement does not cover any of the following:

- a. Any loss during any period in which goods would not have been produced or in which business operations or services, including rental activities, would not have been maintained for any reason other than the direct physical loss or damage insured by this policy.
- b. Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license, or order except as provided in Item J., Extended Period of Indemnity.

Business Interruption Endorsement Gross Earnings/Rents/Extra Expense

- c. Any additional loss due to:
 - 1) Fines or damages for breach of contract,
 - 2) Late or non-completion of orders or penalties of any nature whatsoever, or
 - 3) Any other consequential or remote loss.
- d. Any loss resulting from physical loss or damage to **finished goods** or the time required for their reproduction.
- e. Any remaining or residual value of property obtained in reducing loss payable, in making up production, or in continuing the business operations or services.
- f. Any loss resulting from the Actual Cash Value portion of direct physical loss or damage by fire caused by or resulting from **Terrorism**.
- g. **Extra Expense** does not include any loss resulting from Debris Removal.
- h. Tuition Fees

Except for the following agencies:

Agency 120: Arkansas State University – Beebe, includes campus locations at Beebe, Searcy, and Heber Springs

Agency 130: Arkansas Technical University

Agency 165: University of Central Arkansas

Agency 128: Arkansas State University – Mountain Home

Agency 125A: Arkansas State University – Jonesboro

Agency 675: Black River Technical College

Must obtain Underwriter approval for additional agencies requesting coverage. Additional premium to be applied.

6. DEFINITIONS:

Business Interruption means **Gross Earnings, Rents, Expense to Reduce Loss, Extra Expense, and Ordinary Payroll.**

Expense to Reduce Loss means:

The expenses, over and above normal operating expenses incurred during the period of interruption that reduce loss otherwise payable but only to the extent that such loss has been reduced..

Extra Expense means:

The reasonable and necessary expenses in excess of normal incurred by the Insured during the period of interruption to:

a) temporarily continue as nearly normal the conduct of the Insured's business,

b) temporarily use the property of the Insured or others,

all less any value remaining at the end of the period of interruption for property obtained in connection with the above.

Business Interruption Endorsement Gross Earnings/Rents/Extra Expense

Extra Expense does not mean:

- a) any loss of income.
- b) expenses that normally would have been incurred in the conduct of the Insured's business.
- c) cost of permanent repair or replacement of property that has been damaged or destroyed.

Gross Earnings means:

The net sales value of production lost during the period of interruption, less the cost of all:

- a) Raw stock;
- b) Materials and supplies;
- c) Services rendered by the Insured;
- d) **Ordinary Payroll**;
- e) Charges and Expenses that do not continue; and
- f) Merchandise sold.

Plus all other earnings derived from operations of the business excluding rents.

Ordinary Payroll means:

- a) Wages of all employees except officers, executives, department managers, and employees under contract or similar key employees; and
- b) Includes taxes and charges dependent on the payment of those wages.

Rents means:

When Insured property cannot be occupied:

- a) The fair rental value of any portion of the property occupied by the Insured;
- b) Income reasonably expected from the rentals of unoccupied or un-rented portions of such property; and
- c) The rental income from the rented portions of such property, according to bona fide leases, contracts, or agreements, in force at the time of loss;

Less the cost of all Charges and Expenses that do not continue during the period of interruption.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT A

The following modifies insurance provided under the following:

AMAIT Coverage Form
AMAIT Business Interruption Endorsement

1. **Equipment:**

This policy is extended to cover Mobile Equipment / Single Wide Pre Manufactured Housing consisting of the following:

<u>Description</u>	<u>Manufacturer</u>	<u>Serial Number</u>	<u>Limit of liability</u>
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Per Schedule and values on file listed as "Actual Cash Value Equipment"

The company's maximum liability for any one loss under this policy for each piece of Mobile Equipment / Single Wide Pre Manufactured Housing will not exceed their respective limit(s) shown above per occurrence.

Valuation:

The following paragraph shown in AMAIT Coverage Form, Section F. General Conditions, Item #14 Basis of Valuation:

Adjustment of loss amount(s) under this policy will be determined based on the cost of repairing or replacing (whichever is the lesser), at the time of loss, with materials or equipment of like kind and quality without deduction for depreciation, except as provided in this valuation section.

is amended to:

Adjustment of loss amount (s) under this policy will be determined based on the actual cash value at the time of loss. The words "actual cash value" are substituted wherever the word(s) "replacement cost" are shown as regards Actual Cash Value Equipment only;

except with regards Agreed Amount Equipment as shown on the Schedule of Values on file with the Company will be valued at the lesser of:

The cost to repair or restore the equipment to the condition that existed immediately prior to the loss;

The cost to replace the equipment; or

The value designated for the equipment on the schedule of values – Agreed Amount Equipment on file with this Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT A

2. **Fine Arts / Collections:**

The following limits apply to each article in the schedule of Fine Arts / Collections listed below. In no event will the Fine Arts / Collections limit of liability shown in the Supplemental Declarations or Policy Sub-limits section, apply in addition to those limits shown below and will not apply to each unscheduled article of Fine Arts / Collections.

<u>Article</u>	<u>Description</u>	<u>Limit(s) of Liability</u>
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Per Schedule and values on file.

3. **Loss Payable**

Subject to the provisions of the attached Loss Payable endorsement, loss, if any, under this policy will be adjusted with and made payable to the Insured and the following, as their interest may appear:

<u>Lender</u>	<u>Location/Interest</u>
CHF-Magnolia, LLC 3613 Stein St. Mobile, AL 36608	University Village #7 Village Drive Magnolia, AR 71753

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT B
Schedule of State Agency Entity
Retentions per Agency
Extra Expense Sub-limits per Agency

Agency	Property Retention	Inland Marine Retention			Extra Expense Sub-limits
		\$2500	\$5000	\$25000	
009 - Arkansas Legislative Audit	\$10,000	\$0	\$0	\$0	\$1,000,000
011 - Bureau of Legislative Research	\$10,000	\$0	\$0	\$0	\$1,000,000
018 - Court of Appeal	\$5,000	\$0	\$0	\$0	\$1,000,000
023 - Administrative Office of the Courts	\$5,000	\$0	\$0	\$0	\$1,000,000
028 - Office of Prosecutor Coordinator	\$2,500	\$0	\$0	\$0	\$1,000,000
032 - Arkansas Supreme Court	\$10,000	\$2,500	\$0	\$0	\$2,000,000
035 - Office of Medicaid Inspector General	\$2,500	\$0	\$0	\$0	\$1,000,000
053 - Office of Attorney General	\$5,000	\$0	\$0	\$0	\$1,000,000
059 - Auditor of State	\$5,000	\$0	\$0	\$0	\$1,000,000
061 - Arkansas Land Department	\$5,000	\$2,500	\$0	\$0	\$1,000,000
063 - Office of Secretary of State	\$25,000	\$2,500	\$0	\$0	\$5,000,000
069 - State Treasurer	\$10,000	\$0	\$0	\$0	\$1,000,000
080 - Arkansas Game and Fish Commission	\$10,000	\$2,500	\$0	\$0	\$2,000,000
090 - Arkansas Department of Transportation	\$25,000	\$0	\$0	\$0	\$5,000,000
100 - Henderson State University	\$25,000	\$2,500	\$0	\$0	\$5,000,000
105 - Southern Arkansas University	\$25,000	\$2,500	\$0	\$0	\$5,000,000
115A - Southern Arkansas University-Technical Branch	\$10,000	\$2,500	\$0	\$0	\$2,000,000
120 - Arkansas State University - Beebe	\$25,000	\$2,500	\$0	\$0	\$2,000,000
125A - Arkansas State University - Jonesboro	\$100,000	\$0	\$5,000	\$0	\$5,000,000
125C - Arkansas State University - Other Locations	\$25,000	\$0	\$5,000	\$0	\$1,000,000
128 - Arkansas State University - Mountain Home	\$25,000	\$2,500	\$0	\$0	\$2,000,000
129 - Arkansas State University - Newport	\$25,000	\$2,500	\$0	\$0	\$2,000,000
130 - Arkansas Tech University	\$25,000	\$2,500	\$0	\$0	\$5,000,000
165 - University of Central Arkansas	\$25,000	\$2,500	\$0	\$0	\$5,000,000
170 - East Arkansas Community College	\$10,000	\$0	\$5,000	\$0	\$2,000,000
175 - National Park College	\$10,000	\$2,500	\$0	\$0	\$2,000,000
177 - Arkansas State University - Mid South	\$25,000	\$2,500	\$0	\$0	\$2,000,000
180 - Arkansas Northeastern College	\$10,000	\$2,500	\$0	\$0	\$2,000,000
185 - North Arkansas College	\$10,000	\$2,500	\$0	\$0	\$2,000,000
193 - South Arkansas Community College	\$10,000	\$2,500	\$0	\$0	\$2,000,000
198 - Northwest Arkansas Community College	\$25,000	\$2,500	\$0	\$0	\$2,000,000
205 - Appraiser's Licensing and Certification Board	\$2,500	\$0	\$0	\$0	\$1,000,000
206 - State Board of Architects	\$2,500	\$0	\$0	\$0	\$1,000,000
210 - Arkansas Auctioneers Licensing Board	\$2,500	\$0	\$0	\$0	\$1,000,000
211 - Arkansas Professional Bail Bondsman Licensing Board	\$2,500	\$0	\$0	\$0	\$1,000,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT B
Schedule of State Agency Entity
Retentions per Agency
Extra Expense Sub-limits per Agency

212 - Arkansas State Board of Barber Examiners	\$2,500	\$0	\$0	\$0	\$1,000,000
221 - State Board of Collection Agencies	\$2,500	\$0	\$0	\$0	\$1,000,000
224 - Contractors Licensing Board	\$5,000	\$0	\$0	\$0	\$1,000,000
228 - Arkansas Board of Examiners in Counseling	\$2,500	\$0	\$0	\$0	\$1,000,000
229 - Arkansas Fair Housing Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
232 - Board of Election Commissioners	\$2,500	\$0	\$0	\$0	\$1,000,000
236 - Board of Licensure for Professional Engineers and Professional Surveyors	\$2,500	\$0	\$0	\$0	\$1,000,000
238 - Arkansas Ethics Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
241 - Judicial Discipline and Disability Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
246 - State Board of Physical Therapy	\$2,500	\$0	\$0	\$0	\$1,000,000
248 - Arkansas Real Estate Commission	\$5,000	\$0	\$0	\$0	\$1,000,000
254 - Social Work Licensing Board	\$2,500	\$0	\$0	\$0	\$1,000,000
261 - Tobacco Control Board	\$2,500	\$0	\$0	\$0	\$1,000,000
263 - Arkansas Fire Protection Licensing Board	\$2,500	\$0	\$0	\$0	\$1,000,000
265 - Arkansas State Board of Chiropractic Examiners	\$2,500	\$0	\$0	\$0	\$1,000,000
268 - State Board of Dental Examiners	\$2,500	\$0	\$0	\$0	\$1,000,000
274 - Arkansas State Medical Board	\$5,000	\$0	\$0	\$0	\$1,000,000
277 - Arkansas State Board of Nursing	\$2,500	\$0	\$0	\$0	\$1,000,000
283 - Arkansas State Board of Pharmacy	\$2,500	\$0	\$0	\$0	\$1,000,000
289 - Arkansas Board of Examiners in Psychology	\$2,500	\$0	\$0	\$0	\$1,000,000
292 - Board of Examiners Speech Language Pathology and Audiology	\$2,500	\$0	\$0	\$0	\$1,000,000
295 - Spinal Cord Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
305 - Arkansas Manufactured Home Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
311 - Disability Determination for Social Security Administration	\$5,000	\$0	\$0	\$0	\$1,000,000
314 - Governors Mansion Commission	\$5,000	\$2,500	\$0	\$0	\$2,000,000
315 - Capitol Zoning District Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
318 - Martin Luther King, Jr. Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
319 - Minority Health Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
320 - Arkansas Motor Vehicle Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
323 - Arkansas Parole Board	\$2,500	\$0	\$0	\$0	\$1,000,000
324 - Arkansas Public Defender Commission	\$5,000	\$0	\$0	\$0	\$1,000,000
328 - Arkansas Sentencing Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
334 - Arkansas Tobacco Settlement Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
338 - (900) War Memorial Stadium Commission	\$25,000	\$0	\$0	\$0	\$2,000,000
341 - Arkansas Waterways Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
360 - Arkansas Claims Commission	\$2,500	\$0	\$0	\$0	\$1,000,000
385 - Arkansas Department of Veterans Affairs	\$10,000	\$2,500	\$0	\$0	\$2,000,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT B
Schedule of State Agency Entity
Retentions per Agency
Extra Expense Sub-limits per Agency

390 - Workers Compensation Commission	\$10,000	\$0	\$0	\$0	\$2,000,000
395 - Arkansas Development Finance Authority	\$5,000	\$0	\$0	\$0	\$1,000,000
400-355 - Arkansas Agriculture Department - Livestock and Poultry Commission	\$10,000	\$0	\$5,000	\$0	\$1,000,000
400-415 - Arkansas Agriculture Department - Forestry Commission	\$10,000	\$0	\$0	\$0	\$1,000,000
400-445 - Arkansas Agriculture Department - Plant Board	\$5,000	\$2,500	\$0	\$0	\$1,000,000
402 - Arkansas Department of Aeronautics	\$2,500	\$0	\$0	\$0	\$1,000,000
405 - Arkansas State Bank Department	\$5,000	\$0	\$0	\$0	\$1,000,000
410 - Arkansas Securities Department	\$2,500	\$0	\$0	\$0	\$1,000,000
420 - Arkansas Geological Survey	\$5,000	\$2,500	\$0	\$0	\$1,000,000
425 - Arkansas Insurance Department	\$10,000	\$0	\$0	\$0	\$2,000,000
430 - Liquefied Petroleum Gas Board	\$5,000	\$0	\$0	\$0	\$1,000,000
440 - Arkansas Oil and Gas Commission	\$5,000	\$2,500	\$0	\$0	\$1,000,000
450 - Public Service Commission	\$5,000	\$0	\$0	\$0	\$2,000,000
455 - Arkansas Natural Resources Commission	\$5,000	\$2,500	\$0	\$0	\$1,000,000
470 - Department of Information Systems	\$25,000	\$0	\$0	\$25,000	\$5,000,000
472 - Arkansas Geographic Information Office	\$5,000	\$0	\$0	\$0	\$1,000,000
480 - Arkansas Department of Correction	\$25,000	\$0	\$5,000	\$0	\$5,000,000
485 - Arkansas Department of Community Correction	\$25,000	\$2,500	\$0	\$0	\$5,000,000
490 - Assessment Coordination Department	\$2,500	\$0	\$0	\$0	\$1,000,000
500 - Arkansas Department of Education	\$10,000	\$0	\$0	\$0	\$5,000,000
510 - Arkansas School for the Blind	\$10,000	\$2,500	\$0	\$0	\$2,000,000
513 - Arkansas School for the Deaf	\$10,000	\$2,500	\$0	\$0	\$2,000,000
516 - Arkansas Educational Television Commission	\$25,000	\$0	\$5,000	\$0	\$2,000,000
519 - Arkansas State Library	\$5,000	\$0	\$0	\$0	\$2,000,000
520 - Department of Career Education - Rehabilitation Services Division	\$10,000	\$0	\$0	\$0	\$2,000,000
552 - Northwest Technical Institute	\$5,000	\$2,500	\$0	\$0	\$2,000,000
582 - Riverside Vo-Tech School	\$5,000	\$2,500	\$0	\$0	\$1,000,000
590 - Department of Career Education - Central Division	\$5,000	\$0	\$0	\$0	\$1,000,000
610 - DFA-Management Services - Asset Management Section	\$10,000	\$2,500	\$0	\$0	\$1,000,000
611 - DFA-Alcohol Beverage Control - Administration Division	\$2,500	\$0	\$0	\$0	\$1,000,000
612 - DFA-Alcohol Beverage Control - Enforcement Division	\$2,500	\$0	\$0	\$0	\$1,000,000
613 - DFA - Arkansas Office of Lottery	\$5,000	\$0	\$0	\$0	\$1,000,000
615 - DFA - Division of Building Authority	\$25,000	\$2,500	\$0	\$0	\$5,000,000
630 - DFA-Revenue Division	\$10,000	\$0	\$0	\$0	\$5,000,000
631 - DFA-Racing Division	\$2,500	\$0	\$0	\$0	\$1,000,000
634 - DFA-Office of Child Support Enforcement	\$5,000	\$0	\$0	\$0	\$5,000,000
645 - Department of Health	\$25,000	\$2,500	\$0	\$0	\$5,000,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT B
Schedule of State Agency Entity
Retentions per Agency
Extra Expense Sub-limits per Agency

665 - Health Services Permit Agency	\$2,500	\$0	\$0	\$0	\$1,000,000
675 - Black River Technical College	\$10,000	\$2,500	\$0	\$0	\$2,000,000
685 - College of the Ouachitas	\$10,000	\$2,500	\$0	\$0	\$2,000,000
687 - Ozarka Technical College	\$10,000	\$2,500	\$0	\$0	\$2,000,000
691 - Southeast Arkansas College	\$10,000	\$2,500	\$0	\$0	\$2,000,000
700 - Arkansas Department of Higher Education	\$5,000	\$0	\$0	\$0	\$2,000,000
710 - Department of Human Services	\$25,000	\$2,500	\$0	\$0	\$5,000,000
790 - Arkansas Economic Development Commission	\$5,000	\$0	\$0	\$0	\$1,000,000
800 - Arkansas Department of Labor	\$5,000	\$0	\$0	\$0	\$1,000,000
810 - Arkansas Department of Workforce Services	\$10,000	\$2,500	\$0	\$0	\$2,000,000
865 - Department of Arkansas Heritage - Central Administration	\$10,000	\$2,500	\$0	\$0	\$2,000,000
867 - (865) Department of Arkansas Heritage - Delta Cultural Center	\$10,000	\$2,500	\$0	\$0	\$1,000,000
870 - (865) Department of Arkansas Heritage - Arkansas Arts Council	\$0	\$2,500	\$0	\$0	\$1,000,000
873 - (865) Department of Arkansas Heritage - Mosaic Templar Cultural Center	\$10,000	\$2,500	\$0	\$0	\$1,000,000
875 - (865) Department of Arkansas Heritage - Old State House Museum	\$10,000	\$0	\$5,000	\$0	\$2,000,000
877 - (865) Department of Arkansas Heritage: Historic Preservation	\$10,000	\$0	\$0	\$0	\$1,000,000
880 - (865) Department of Arkansas Heritage - Natural Heritage Commission	\$10,000	\$0	\$0	\$0	\$1,000,000
885 - (865) Department of Arkansas Heritage - Historic Arkansas Museum	\$10,000	\$2,500	\$0	\$0	\$2,000,000
900 - Arkansas Department of Parks and Tourism	\$25,000	\$0	\$5,000	\$0	\$5,000,000
915 - (865) Department of Arkansas Heritage - Arkansas State Archives	\$5,000	\$0	\$0	\$0	\$1,000,000
930 - Arkansas Department of Environmental Quality	\$25,000	\$2,500	\$0	\$0	\$2,000,000
950 - Arkansas Commission on Law Enforcement Standards and Training	\$5,000	\$2,500	\$0	\$0	\$2,000,000
955 - Arkansas Crime Laboratory	\$10,000	\$0	\$0	\$0	\$2,000,000
960A - Arkansas State Police Commission	\$10,000	\$2,500	\$0	\$0	\$5,000,000
960B - Arkansas State Police Communications	\$10,000	\$0	\$0	\$0	\$5,000,000
990 - Arkansas Crime Information Center	\$5,000	\$0	\$0	\$0	\$1,000,000
995 - Arkansas Department of Emergency Management	\$10,000	\$2,500	\$0	\$0	\$5,000,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT C

AMAIT Property Claim Protocol

1. The property loss notice is generated by BXS Insurance and will be sent by email to:

Risk Management Division:

insurance.risk.management@arkansas.gov

The Risk Management Division will send current Statement of Value, Declaration Page, and Building Appraisal Reports to BXS Insurance.

All property loss notices wherein the claim reserve is expected to exceed \$100,000 will be immediately sent to National Union Fire Insurance Company when the "AMAIT Claim Reserve" has reached \$2,000,000. All other loss notices pertaining to Boiler and Machinery, Flood, and Earth Movement will be immediately forwarded to National Union Fire Insurance Company. The loss notice will be sent to the following by email by BXS Insurance.

National Union Fire Insurance Company:

NewLoss-USProperty&Energy@AIG.com.
CC: Regina.Avitabile@AIG.com

2. Arkansas Multi Agency Insurance Trust (AMAIT) will pay any and all loss adjustment expenses pertaining to claims within the AMAIT Aggregate Retention in addition to expenses as specified in item 3 below. BXS Insurance shall pay all loss adjustment expenses and AMAIT shall reimburse all loss adjustment expenses within (30) thirty days of receipt of the invoice and documentation.
3. BXS Insurance shall pay all specialty loss adjustment expenses for all losses within the AMAIT Aggregate Retention with Risk Management Divisions prior approval. AMAIT shall reimburse all specialty loss adjustment expenses within (30) thirty days of receipt of invoice and documentation. Specialty loss adjustment expenses include, but are not limited to: consultants, cause and origin experts, engineers, salvage expense, and subrogation expense. Specialty loss adjustment expenses do not apply to the Aggregate Retention.
4. BXS Insurance will adjust all losses incurred up to the \$2,500,000 Aggregate Retention. National Union Fire Insurance Company will adjust all losses exceeding the \$2,500,000 Aggregate Retention.
5. BXS Insurance will make initial contact with the State Agency(ies) and assign to Central Adjustment Company (CAC) or other local adjusters, if a field inspection is required.
6. National Union Fire Insurance Company has agreed to use the CAC reports and not re-inspect the loss unless circumstances require re-inspection. If re-inspection is required, National Union Fire Insurance Company will notify BXS Insurance. BXS Insurance will inform the State Agency(ies) of re-inspection.
7. National Union Fire Insurance Company will communicate through BXS Insurance to the State Agency entity pertaining to any necessary consultants, engineers, or other experts that are required for the claim(s) if the losses incurred exceed the \$2,500,000 Aggregate Retention. All communication with the State Agency(ies) will be through BXS Insurance including claims in the National Union Fire Insurance Company's layer.
8. Every attempt will be made to use Arkansas based consultants, engineers, restoration companies, etc. BXS Insurance, Risk Management Division and Arkansas Building Authority may need to be contacted for a list of expert referrals. If the expertise is not available in the State of Arkansas, then it must be verified that the contracted firm is licensed to do business in the State of Arkansas. BXS Insurance and Risk Management Division shall be notified before contact is made with an expert located outside the State.
9. All Loss Adjustment Expenses incurred directly or at the direction of National Union Fire Insurance Company or their representatives will be paid by National Union Fire Insurance Company, whether or not those claims exceed the AMAIT Aggregate Retention. If the AMAIT Aggregate Retention is exceeded during any

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT C

applicable policy year, all loss adjustment expenses pertaining to claims for damages will be paid by National Union Fire Insurance Company.

10. All loss adjustment expenses pertaining to Boiler and Machinery, Earth Movement and Flood claims will be paid by National Union Fire Insurance Company and do not apply to the Aggregate Retention.
11. Claim checks shall be issued by National Union Fire Insurance Company to each State Agency including the 3 digit State Agency number and State Agency name. Checks should not be issued to the AMAIT Fund by National Union Fire Insurance Company unless the AMAIT Fund has paid a claim(s) which has exceeded the \$2,500,000 Aggregate Retention. If multiple Agencies are involved in the loss, then advance fund checks and claim checks will need to be sent to each individual State Agency with the 3 digit State Agency code.
12. A monthly Loss History Report must be provided by National Union Fire Insurance Company to BXS Insurance for all losses adjusted by National Union Fire Insurance Company. The monthly Loss History Report must provide all pertinent data including, but not limited to: claim number, date of loss, cause of loss, agency name and number, amount paid, amount reserved, value changes as they occur each month, claim open/closed status, and date of the executed proof of loss or partial proof of loss is received.
13. BXS Insurance shall submit a monthly Loss History Report along with all property loss notices each month to National Union Fire Insurance Company on all claims. The monthly Loss History Report is due within 10 days following the end of the preceding month.
14. BXS Insurance shall provide a monthly Loss History Report to the Risk Management Division for all losses incurred up to and exceeding the Aggregate Retention for all coverage provided and in a format that is acceptable to the Risk Management Division.
15. There shall be a Claims Coordination Committee (CCC) with one representative from each; Risk Management Division, BXS Insurance, and National Union Fire Insurance Company. The CCC will meet by conference phone call for the assignment of a claims adjuster (panel adjuster or local adjuster) to each subsequent property claim expected to exceed \$100,000 when the "AMAIT Claim Reserve" has reached \$2,000,000. The CCC will continue to conference call for assignment of claims adjuster for property claims expected to exceed \$100,000 for the remainder of the policy year.
16. Once the Aggregate Retention has been paid, National Union Fire Insurance Company will, at their discretion, depending upon the severity of the claim, assign the claim files to panel adjusters or local adjusters. Prior to making these assignments, National Union Fire Insurance Company will discuss with AMAIT.

Panel Adjusters:

Reuben Ogle

P.O. Box 2072, Ozark, MO 65721

417-834-0772 (Mobile); 844-435-1085 (Fax)

Reuben.Ogle@aig.com

17. BXS Insurance or Central Adjustment Company (CAC) will notify National Union Fire Insurance Company immediately on any claims involving coverage issues or litigation.
18. National Union Fire Insurance Company will schedule audits of BXS Insurance claims files and Central Adjustment Company (CAC) files at a minimum of once a year, or more frequently if deemed necessary.
19. BXS Insurance and Central Adjustment Company (CAC) will adhere to National Union Fire Insurance Company claims handling guidelines.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT D

Swing Endorsement – Additional and/or Return Premium Calculation

1. The Insured shall maintain an accurate record of the value of property insured and submit a statement to the Company semi-annually (12/31 and 04/30) showing the total values of the property insured as of that date.
2. Any additions or deletions of values/locations shall be calculated on the basis of the value of the property insured as reported to the Company using the pro-rata factor(s) of .748 as of 10/01 and .249 as of 04/01.
3. The additional or return premium shall be waived, if, the values reported, increase or decrease from the original reported values by less than a pro-rata additional or return premium of \$250,000.
4. The additional or return premium shall be applied, if, the values reported, increase or decrease from the original reported values by more or equal to a pro-rata additional or return premium \$250,000.
5. Any additional or return premium will be billed by 5/31 and due by the end of the policy term, 6/30.
6. It is understood \$250,000 is an annual threshold and is not per reporting period.
7. Reported change in Total Insured Values for the period of 4/30 to 6/30 shall be waived by the Insurance Company. This requirement specification ensures that the Insured will not pay for premiums in a subsequent fiscal year which were incurred in a previous fiscal year.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT E

This endorsement, effective 12:01 AM, 7/01/2018

Forms a part of Policy No.: 019946755

**Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES**

By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

ELECTRONIC DATA AND MEDIA ENDORSEMENT E

1. Electronic Data and Media Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA AND MEDIA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA AND MEDIA means data, messages, information, coding, programs, instructions or any other software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment and distributed by means of a computer network or is produced in a format for use with a computer.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised 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'.

- b) However, in the event that an insured peril results from any of the matters other than described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such insured peril.

2. Electronic Data and Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should ELECTRONIC DATA AND MEDIA insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA AND MEDIA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$25,000,000 any one loss, incurred by the Insured in recreating, gathering and assembling such ELECTRONIC DATA AND MEDIA. If the data and media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA AND MEDIA to the Insured or any other party, even if such ELECTRONIC DATA AND MEDIA cannot be recreated, gathered or assembled.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT F

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

**Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES**

By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

**TERRORISM PREMIUM CHARGE ENDORSEMENT WITH EXCLUSION FOR
BIOLOGICAL AND/OR CHEMICAL TERRORISM**

This endorsement modifies insurance provided by the Policy:

The **terrorism** charge is **\$110,000** and is included in the Policy Premium shown on the Declarations Page of this Policy. Notwithstanding anything to the contrary in this Policy, **terrorism** which causes direct physical loss or damage to property is covered.

However, the **Company** does not insure for loss or damage caused directly or indirectly by **biological and/or chemical terrorism** whether controlled or uncontrolled, proximate or remote, sudden or over any length of time, or which is contributed to or aggravated by any other event, cause, or peril. Such loss or damage is excluded regardless of any other event, cause, or peril contributing concurrently or in any sequence to the loss or damage.

The following definitions apply to this Policy:

1. **Company** means the insurer as shown in the attachment clause of this endorsement.
2. **Biological and/or chemical terrorism** means the dispersal, discharge, or release of pathogenic, toxic, poisonous, or damaging biological or chemical agents or substances in an act(s) of **terrorism**.
3. **Terrorism** means the use or threatened use of force or violence against a person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:
 - a. A government;
 - b. The civilian population of a country, state or community; or
 - c. Disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002, and any revisions or amendments thereto is in effect (the "Act"), **terrorism** includes a certified act of terrorism defined by Section 102. Definitions of the Act.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM, 07/01/2018

Forms a part of Policy No.: 019946755

**Issued to: STATE OF ARKANSAS MULTI AGENCY INSURANCE TRUST
AND PARTICIPATING STATE AGENCIES**

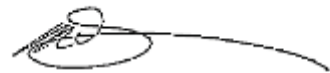
By: NATIONAL UNION FIRE INS. CO. OF PITTSBURGH

This endorsement modifies insurance provided by the Policy:

In consideration of the premium charged, it is understood and agreed that the following additional terms and conditions shall hereby be made part of this policy:

Form: PR9015 – Pollution, Contamination, Debris Removal Exclusion Endorsement: \$100,000 Sub-Limit for Land and Water Clean Up Expense shall hereby be made a part of this form.

All other terms and conditions of the Policy remain the same.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ARKANSAS
AMENDATORY ENDORSEMENT**

It is agreed with respect to any insured location in the State of Arkansas that this policy is amended:

CANCELLATION — The company may cancel this policy, or one or more of its parts, by giving the Named Insured a written notice at least 90 days before the cancellation is to take effect. If the cancellation is for non-payment of premium, the notice of cancellation must be given at least 10 days before the cancellation is to take effect.. The notice will include the reasons for **cancellation**.

1. Nonpayment of premium;
2. Fraud or material misrepresentation made by or with the knowledge of the Named Insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
3. A material change in the risk which substantially increases any hazard insured against after policy issuance;
4. Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against under the policy; or
5. A material violation of a material provision of the policy.

NON-RENEWAL – Except in the case of non-payment of premium, the company shall renew the policy unless a written notice of non-renewal is mailed at least ninety (90) days prior to the expiration date or anniversary date of the policy.

LEGAL ACTION AGAINST THIS COMPANY – Commencement of litigation for the recovery of any claim under the policy to which this endorsement is attached shall extend to within the time allowed by law.

ARSON REPORTING - This Arson Reporting Immunity Statute effective June 15, 1983 provides that when an Insurer enters into a contract of insurance against fire loss with the Insured that the requirements of the Statute must be disclosed in writing to the Insured.

Definition: "Authorized Agencies" means any law enforcement agency or agency or instrumentality of the State of Arkansas, county or municipality or of the Federal Government which is charged with the responsibility of investigating fires.

Disclosure of Information

1. Any Insurer having reason to believe that a fire loss in which it has an interest may be of other than accidental cause shall, in writing, notify an authorized agency of

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ARKANSAS
AMENDATORY ENDORSEMENT**

such finding.

2. Any authorized agency may, in writing, require the Insurer at interest to release to the requesting agency relevant information relating to the fire loss in question which may include, but is not limited to:
 - a. Policy premium payment records;
 - b. History of previous claims made by the Insured;
 - c. Material relating to the Insurer's investigation of the fire loss
3. Any Insurer providing information to an authorized agency pursuant to this Statute shall notify its Insured in writing of such action no later than ninety (90) days after such action has been taken. The Insurer must also provide the Named Insured with a copy of the report sent to the authorized agency upon the commencement of civil action or criminal prosecution, For purposes of this Statute "Named Insured" shall be the person whose name appears on the face of the Policy as the insured individual.
4. Any Insurer; or a person acting on its behalf, shall be **immune from** liability in any civil or criminal proceeding for any statement made or action required by this Statute where actual malice on the part of the **Insurer** or its representative is not present.

APPRAISAL — The appraisal agreement as found in the Appraisal Clause in this policy is voluntary between the Named Insured and the company. Neither party shall be deprived of the right to trial by jury on any question of fact arising under this policy.

SUBROGATION — The company is not entitled to subrogation under this policy unless the Named Insured has been fully compensated for the loss sustained.