

This contract is registered and delivered as a surplus line coverage under the Surplus Lines Insurance Law, and it may in some respects be different from contracts issued by insurers in the admitted markets, and, accordingly, it may, depending upon the circumstances, be more or less favorable to an insured than a contract from an admitted carrier might be. The protection of the Arkansas Property and Casualty Guaranty Act does not apply to this contract. A tax of four percent (4%) is required to be collected from the insured on all surplus lines premiums.

Kevin Doyle



**LEXINGTON INSURANCE COMPANY**  
**ADMINISTRATIVE OFFICES: 99 HIGH STREET, BOSTON, MA 02110**  
(hereinafter called the Company)

**COMMERCIAL PROPERTY POLICY DECLARATIONS**

POLICY NUMBER: 061384462

RENEWAL OF: 061384462

ITEM 1.           Named Insured: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

Address:           C/O RISK MANAGEMENT DIVISION  
1 COMMERCE WAY, SUITE 504  
LITTLE ROCK, AR 72202

ITEM 2.           Policy Period:                   From 07/01/2024                   To 07/01/2025

at 12:01 AM Standard Time at the address of the insured location unless this Commercial Property Policy Declarations is attached to a Policy with a Declaration Page or a term or condition contained in such policy form that has a different description of the application of the Policy Period, Policy Term or similar term (hereinafter, the **Policy Period**), in which case, the **Policy Period** shall be the same as that description contained on the Declaration Page or policy form to which this Commercial Property Policy Declarations is attached.

ITEM 3.           Limit of Insurance:

25.00% BEING 25,000,000 PART OF 100,000,000 PER OCCURRENCE IN THE PRIMARY

Total Premium: \$ 2,937,500	Premium	: \$ 2,937,500.00
	AR Surplus Lines Tax	: \$ 117,500.00
Terrorism Premium: \$ DECLINED	Total Charges	: \$ 3,055,000.00

Minimum Earned Premium: \$ 1,028,125

ITEM 4.           Perils:

ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE INCLUDING: NAMED WINDSTORM, FLOOD, AND EARTHQUAKE/EARTH MOVEMENT, EXCLUDING EQUIPMENT BREAKDOWN/BOILER & MACHINERY

ITEM 5.           Description of Property Covered:

Coinsurance

AS DESCRIBED IN THE POLICY ATTACHED

NOT APPLICABLE

**Placed by:**  
**Risk Placement Services, Inc.**

RPSATL/2024.09.03

PRPDEC  
LM138109 (02/22)

©American International Group, Inc.  
All Rights Reserved.

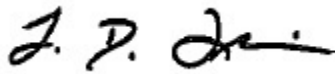
Page 1 of 2

To Report a Loss  
• Dial toll-free #1 (844)777-8323 or visit our  
• Website: <https://my.rpsins.com/claimsfnol>  
• Contact Insurer directly (see policy section)

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

**IN WITNESS WHEREOF**, we have caused this Policy to be signed on the Declarations by our President, Secretary and our duly authorized representative.



\_\_\_\_\_  
President



\_\_\_\_\_  
Secretary

This Policy shall not be valid unless signed at the time of issuance by our authorized representative.



\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Countersignature (if applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Countersigned At

## FORMS SCHEDULE

Named Insured: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

Policy No: 061384462

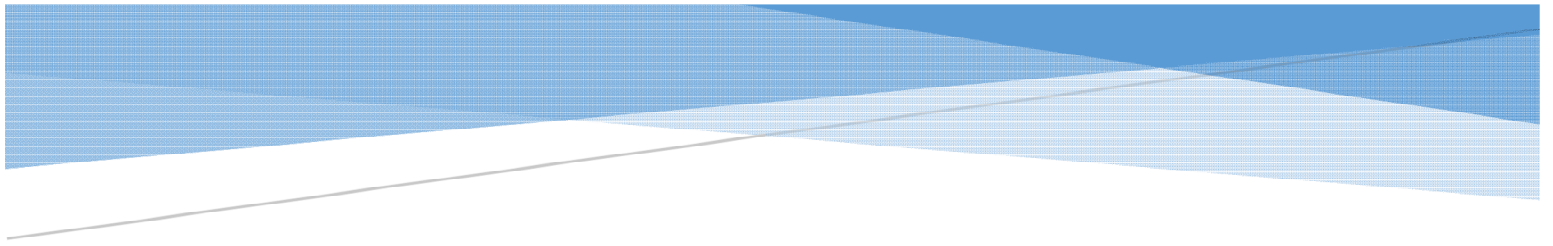
Effective Date: 07/01/2024

<u>Form Number</u>	<u>Edition Date</u>	<u>Endorsement Number</u>	<u>Title</u>
PRPDEC	02/22		<b>COMMERCIAL PROPERTY POLICY DECLARATIONS</b>
			<b>MANUSCRIPT POLICY FORM</b>
		A	<b>APSIT COVERAGE FORM (BROKER ENDT)</b>
		B	<b>APSIT JOINT OR DISPUTED LOSS AGREEMENT (BROKER ENDT)</b>
		C	<b>APSIT NAMED ADJUSTER (BROKER ENDT)</b>
		D	<b>ABOT LOCATION ENDORSEMENT (BROKER ENDT)</b>
		E	<b>AMENDATORY ENDORSEMENT (BROKER ENDT)</b>
		F	<b>SCHEDULE OF SCHOOL DISTRICT ENTITY RETENTIONS (BROKER ENDT)</b>
		6	<b>CARRIER PARTICIPATION ATTACHMENT CLAUSE (BROKER ENDT)</b>
PR4266	12/14	007	<b>TERRORISM EXCLUSION ENDORSEMENT</b>
PR4419	10/15	008	<b>EQUIPMENT BREAKDOWN EXCLUSION ENDORSEMENT</b>
PR4259	07/14	009	<b>ANTI-STACKING ENDORSEMENT</b>
PR8300	12/07	010	<b>CANCELLATION - ADDITIONAL PROVISIONS</b>
LM138054	04/21	011	<b>FUNGUS, MOLD OR SPORE EXCLUSION</b>
PR4225	07/13	012	<b>ECONOMIC SANCTIONS ENDORSEMENT</b>
LM138003	03/20	013	<b>COMMUNICABLE DISEASE EXCLUSION</b>
LM138023	06/20	014	<b>AIR SUPPORTED STRUCTURES EXCLUSION ENDORSEMENT</b>
LM138024	06/20	015	<b>GRAIN ELEVATOR EXCLUSION ENDORSEMENT</b>
LM138025	06/20	016	<b>(1) DAMS, DIKES AND LEVEES AND (2) FILL BENEATH ANY BUILDINGS OR STRUCTURES EXCLUSION ENDORSEMENT</b>

LMA5401	11/19	017	<b>PROPERTY CYBER AND DATA EXCLUSION</b>
LM138120	09/22	018	<b>EXTORTION AND RANSOMWARE EVENT EXCLUSION</b>
LM138116	06/22	019	<b>(1) DIGITAL ASSETS AND (2) OPERATIONS WITH RESPECT TO DIGITAL ASSETS EXCLUSIONARY ENDORSEMENT</b>
LM138112	01/24	020	<b>NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSION WITH RADIOACTIVE CONTAMINATION COVERAGE ENDORSEMENT</b>
LM138139	03/23	021	<b>CONFISCATION, EXPROPRIATION AND NATIONALIZATION EXCLUSION ENDORSEMENT</b>
LM138143	02/23	022	<b>EXCLUDED TERRITORIES DEFINITION ENDORSEMENT</b>
LM138160	09/23	023	<b>WAR EXCLUSION ENDORSEMENT</b>
LM138174	01/24	024	<b>STANDARD PROPERTY CONDITIONS</b>
LM138176	03/24	025	<b>ERRORS OR OMISSIONS IN PROGRAMMING EXCLUSION</b>
MANUSCRIPT		026	<b>SHARED COVERAGE ENDORSEMENT</b>

## **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](http://www.aig.com/producer-compensation) or by calling 1-800-706-3102.



ARKANSAS PARTICIPATING  
PUBLIC SCHOOL DISTRICT  
ENTITIES  
PROPERTY COVERAGE DOCUMENT

JULY 1ST, 2024 – 2025

## Table of Contents

<b>Named Insured and Mailing Address .....</b>	<b>2</b>
<b>Term of Insurance .....</b>	<b>2</b>
<b>Program Limits of Liability .....</b>	<b>2</b>
<b>PERILS INSURED: SECTION A .....</b>	<b>2</b>
<b>PROPERTY INSURED: SECTION B .....</b>	<b>3</b>
<b>POLICY SUB-LIMITS: SECTION C .....</b>	<b>4</b>
<b>PROPERTY EXCLUDED: SECTION D .....</b>	<b>17</b>
<b>PERILS EXCLUDED: SECTION E .....</b>	<b>18</b>
<b>GENERAL CONDITIONS: SECTION F .....</b>	<b>22</b>
<b>DEFINITIONS: SECTION G .....</b>	<b>30</b>
<b>BUSINESS INTERRUPTION ENDORSEMENT .....</b>	<b>36</b>
<b>ENDORSEMENT A .....</b>	<b>42</b>
<b>ENDORSEMENT B .....</b>	<b>44</b>
<b>ENDORSEMENT C .....</b>	<b>46</b>
<b>ENDORSEMENT D .....</b>	<b>47</b>
<b>ENDORSEMENT E .....</b>	<b>48</b>
<b>ENDORSEMENT F – Schedule of School District Entity Retentions.....</b>	<b>49</b>
<b>ENDORSEMENT No. 6: CARRIER PARTICIPATION ATTACHMENT CLAUSE .....</b>	<b>51</b>

## Named Insured and Mailing Address

State of Arkansas Participating Public School District Entities  
c/o Risk Management Division  
1 Commerce Way, Suite 504  
Little Rock, AR 72202

## Term of Insurance

In consideration of the annual premium, this policy attaches and covers for a period of twelve months, from July 1, 2024 to July 1, 2025, beginning and ending at 12:01 A.M., standard time, at the location of the property involved. The actual effective time of attachment of this insurance on the above date shall be the same time as the actual effective time of cancellation or expiration of policy (ies) replaced or renewed by this policy.

## Program Limits of Liability

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 \$840,000,000 any one occurrence subject to the following sub-limits. Policy Sub-Limits do not increase the policy limit of \$840,000,000.

## PERILS INSURED: SECTION A

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



## PROPERTY INSURED: SECTION B

This policy insures the following property, if shown in the declarations section, at or within 1000 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 the 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;
- 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**.

## POLICY SUB-LIMITS: SECTION C

1. \$100,000,000 **Earth Movement** (Annual Aggregate, for all coverages provided)  
Except;  
\$50,000,000 **Earth Movement** (Annual Aggregate for **New Madrid Earthquake Zone Counties** (See Section G – Definitions – Earth Movement Counties))
2. \$100,000,000 **Flood** (Annual Aggregate, for all coverages provided)  
Except;  
\$0 **Flood** (Annual Aggregate, for all coverages provided) in Zone A locations, Special Flood Hazard Areas (SFHA).
3. \$25,000,000 Debris Removal
4. \$1,000,000 Property Removed from Described **Locations**
5. \$1,000,000 Protection and Preservation of Property
6. \$5,000,000 Mobile Equipment
  - a. *Includes transit as well as over the road coverage / collision*
  - b. *Coverage applies for all Perils Insured under this Policy, including **Flood** and Earthquake.*
7. \$250,000 Fire Fighting Materials and Expenses
8. \$5,000,000 Professional Fees
9. \$1,000,000 Expediting Expenses
10. \$100,000 Land and Water Clean Up Expense (Annual Aggregate, for all coverages provided) – **Named Perils Only**
11. \$10,000,000 Newly Acquired Property – 90 Days Reporting
12. \$1,000,000 Unnamed Locations Coverage
13. \$1,000,000 **Fine Arts / Collections** – Subject to Schedule on File
14. \$5,000,000 Accounts Receivable
15. \$10,000,000 **Valuable Papers** and Records
16. \$250,000 **Electronic Data and Media**-Property Damage

17. Demolition and Increased Cost of Construction:

	Policy Limit	Item A: Undamaged Portion
	\$25,000,000	Item B: Demolition
	\$25,000,000	Item C: Compliance with the Law - \$2,000,000 Sublimit applies Per District, Per Occurrence
	\$1,000,000	Item D: <b>Business Interruption</b>
18.	\$10,000,000	Errors and Omissions
19.	\$3,000,000	Personal Property in Transit – DOES NOT INCLUDE MOBILE EQUIPMENT (refer to Mobile Equipment sub-limit above) <u>Except;</u> \$250,000 Transit as regards <b>Fine Arts / Collections</b>
20.	\$2,500,000	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 ( <b>Business Interruption/Extra Expense</b> 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.
21.	\$100,000	Arson or Theft Reward
22.	\$5,000	<b>Money and Securities</b> (losses shall not apply to the aggregate retention)
23.	\$100,000	Locks and Keys
24.	\$100,000	Tenants Legal Liability and Expense
25.	\$1,000,000	<b>Soft Costs</b>
26.	\$250,000	<b>Fungus, Mold, Mildew</b>
27.	\$2,500	Per employee, per <b>occurrence</b> for Personal Property of others.
28.	\$5,000,000	Property in the course of construction.

**Business Interruption – Program Sub-Limits:**

A.	N/A	<b>Gross Earnings, Rents, and Expense to Reduce Loss</b>
B.	\$25,000,000	<b>Extra Expense Per Occurrence</b>
C.	N/A	<b>Gross Earnings</b> From Property in Transit
D.	N/A	Days of <b>Ordinary Payroll</b>
E.	Up to 30 Days	Days of Civil Authority
F.	\$10,000	Contingent <b>Business Interruption</b>
G.	N/A	Research and Development Expense
H.	\$100,000	Ingress/Egress (1 Mile Limitation)
I.	N/A	Tax Treatment
J.	N/A	Days of Extended Period of Indemnity
K.	Included in Policy Sublimit 20	Off Premises Service Interruption – <b>Business Interruption</b>

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 item E. 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 following:

The Agreed Amount values stated in the latest Statement 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.

## **POLICY SUB-LIMITS:**

The following coverage applies 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 **Location(s)**; 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 **Location(s)**; 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.

### 3. 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.

### 4. 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.

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.

### 5. 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 caused by or resulting from **Terrorism**.

### 6. Mobile Equipment:

This policy is extended to cover direct physical loss or damage to Mobile Equipment. This coverage shall include transit as well as over the road/collision. Coverage applies for all risks of 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.

## **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
- 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:

- a) Attorneys;
- b) Public adjustors, loss appraisers, loss consultants, or any of their subsidiaries or associated entities;
- c) 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. 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 insured by this policy.

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**.

#### 11. 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) 90 days after the date of acquisition; or
- c) At the termination or expiration of this policy;

Or 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.

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

#### 12. Unnamed Locations:

This policy is extended to cover Insured property:

- a) At a place other than a described **location**, a Newly Acquired Property; 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**, coverage or extensions of coverage. The sub-limit for this extension of coverage cannot be combined with any other sub-limits in this policy.



### **13. Fine Arts / Collections:**

This policy is extended to cover **fine arts / collections** at a **location**, subject to schedule on file.

There will be no coverage for:

- a) Breakage of any **fine arts / collections** unless the breakage results from a **named peril**.
- b) Loss or damage to any **fine arts / collections** as a result of restoring, repairing or retouching processes.

### **14. 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 cannot 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.

### **15. Valuable Papers and Records:**

This policy is extended to cover **Valuable Papers and records**.

### **16. Electronic Data and Media - Property Damage:**

This policy is extended to cover:

- a) **Electronic Data**; and
- b) **Electronic Media**.

### **17. 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, requiring compliance as a condition precedent to obtaining a building permit or certificate of occupancy:
  - 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 under this endorsement applies only in response to the minimum requirements of the ordinance or law 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.
  - iv. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

## 18. 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;
- c) By the Insured at the inception date or during the term of this policy 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.

There will be no coverage:

- a) 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.

## 19. 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(s) 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 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 undervalued 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.

## **20. 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 loss of such services must be a direct result of direct physical loss or damage insured by this policy to property not excluded by this policy.

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.

## **21. 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 declarations section; or
- b) Ten Percent (10%) of the direct physical loss or damage to insured property.

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 Insured's behalf for information that leads to the conviction of the perpetrators of **Terrorism** whether direct or indirect.

## **22. Money:**

This policy is extended to cover direct physical loss or damage to **money** by **Named Perils** only insured by this policy, except employee dishonesty.

## **23. 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.

## **24. 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.

c) Additional Provisions:

- i. The specified sub-limit is the maximum amount payable in anyone **occurrence** regardless of the number of **locations**, coverage or Policy Sub-Limits. The sub-limit for this Policy Sub-Limit cannot be combined with any other sub-limits in this policy.
- 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.

**25. 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.

**26. 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 damage.

**27. 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 value for each public school district. This does not apply to business personal property of others while in the care, custody, or control of the insured or where the insured is contractually obligated to insure.

## PROPERTY EXCLUDED: SECTION D

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.
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.

## PERILS EXCLUDED: SECTION E

**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**.

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.

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 pretense.

This exclusion does not apply to coverage provided in Section C., Policy Sub-limits, Item 19. 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 1. **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 19., Personal Property in Transit.

8. Indirect or remote loss, or consequential loss or damage.

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.

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 26.
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 14., Accounts Receivable.
12. 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.
13. Loss or damage arising out of:
- a. Building or any part of a building that is in danger of falling down or caving in,
  - b. Any part of a building that has separated from another part of the building, or
  - c. A building or any part of a building that is standing which shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

However, the Company does cover loss or damage arising out of Collapse.

14. Loss or damage caused by Equipment Breakdown to vehicles or any equipment on vehicles, draglines, or excavation or construction equipment.
15. 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.
16. This policy does not cover **boiler and machinery** physical loss or damage 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.

**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.
8. The following applies with respect to loss or damage by wind and/or hail to a building or structure, we will not pay for **cosmetic damage to roof surfacing** caused by wind and/or hail.

## GENERAL CONDITIONS: SECTION F

### **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
- 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 Retention 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, including any loss adjustment expenses paid by the Insured within and eroding the annual aggregate retention, that exceeds the retention of \$2,000,000 per occurrence, regardless of the number of locations affected and only after the applicable APSIT Member retentions outlined in Endorsement F are satisfied for each loss that would have been payable under this policy.
2. If the Insured's aggregate retention of \$6,000,000 is exceeded during any applicable policy year, the following trailing deductible amounts will apply for each loss under this policy for the remaining unexpired term of that policy year.
  - \$100,000 per occurrence for All Other Perils, except;
  - \$250,000 per occurrence for Wind/Hail
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, including any loss adjustment expenses paid by the Insured within and eroding the annual aggregate retention, 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 APSIT Member or other applicable source.
4. Losses caused directly by Earth Movement, or Flood, 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 and Flood.
5. Each applicable APSIT Member retention, for each loss, shall apply separately as outlined in Endorsement F.

**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 School District Entity Retention per occurrence:**

Per the attached Endorsement F.

*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):**

- a. \$250,000 Per **Occurrence** except as follows;
- b. 2% of Total Insurable Values at the time of the loss at each Location involved in the loss or damage, subject to a minimum of \$250,000 any one **Occurrence**, as respects locations in the **New Madrid Earthquake Zone Counties (See Section G-Definitions)**

*Earth Movement Losses shall not apply to the aggregate retention.*

**3. Flood Retention (per participating School District Entity, per occurrence for all coverages provided):**

- a. \$250,000 Per **Occurrence** except;
- b. No coverage in Zone A locations, Special Flood Hazard Areas.

*Flood 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 17. Demolition and Increased Cost of Construction and any loss covered under C., Policy Sub-limits, Item 26., **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; and

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

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:

- 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 \$250,000 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
- 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** are 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.

**12. 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 17., 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 17., Demolition and Increased Cost of Construction.

**13. Lawn care equipment with a combustion engine of 20hp or less will be valued at Replacement cost valuation.**

**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.
- 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 17., 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 Insured 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.

**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.

## **DEFINITIONS: SECTION G**

**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) Water 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.
- e. **Described Locations** means the buildings described in the current Statement of Values on file with the company.

**Cosmetic damage** means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

**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.

**Earth Movement Counties:** As referenced in this Policy, designated Earthquake Zones shall be defined as all **Locations** situated within the States or Counties as specified below;

### 1. Pacific Northwest Earthquake Zone Counties

**Washington:** Callum, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom

## **2. New Madrid Earthquake Zone Counties**

**Arkansas:** Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Lee, Mississippi, Monroe, Poinsett, Prairie, Randolph, Sharp, St. Francis;

**Illinois:** Alexander, Bond, Clinton, Franklin, Hardin, Jackson, Jefferson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Washington, Williamson;

**Indiana:** Gibson, Pike, Posey, Vanderburgh, Warrick;

**Kentucky:** Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall, McCracken;

**Mississippi:** Bolivar, Coahoma, Desoto, Marshall, Tate, Tunica;

**Missouri:** Bollinger, Butler, Cape Girardeau, Dunklin, Franklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, Scott, Stoddard, St. Charles, St. Francois, St. Genevieve, St. Louis, Warren, Washington, Wayne and the City of St. Louis;

**Tennessee:** Carroll, Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Lake, Lauderdale, Madison, Obion, Shelby, Tipton, Weakley.

**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**.

**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 the location as specified in the Statement of Values, but if not so specified, location means any building, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by public streets, clear Land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing such street, space or waterway shall render such separation inoperative for the purpose of this definition.

**Money** means only 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.

**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, water damage, tornado, cyclone, hurricane, windstorm, **hail, flood**, riot, riot attending a strike, civil commotion, or vandalism and malicious mischief; 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 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**.

**Roof Surfacing** refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

**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 **TERRORISM RISK INSURANCE ACT OF 2002** shall be considered **Terrorism** within the terms of this policy.

**Vacant or Unoccupied Building** 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, 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**

#### **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**

### **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.

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.
- 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

*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.

**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:

### APSIT Coverage Form

#### 1. Equipment:

This policy is extended to cover Mobile Equipment consisting of the following:

<u>Description</u>	<u>Manufacturer</u>	<u>Serial Number</u>	<u>Limit of liability</u>
--------------------	---------------------	----------------------	---------------------------

Unscheduled mobile equipment for all participating districts; except mobile equipment items with a value of \$100,000 or greater which **must** be scheduled for the sublimit to apply.

The company's maximum liability for any one loss under this policy for all Mobile Equipment for all participating districts, will not exceed the policy sub limit shown per **occurrence**.

#### Valuation:

The following paragraph shown in APSIT Coverage Form 2024, 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:

1. The cost to repair or restore the equipment to the condition that existed immediately prior to the loss;
2. The cost to replace the equipment; or
3. The value designated for the equipment on the schedule of values – Agreed Amount Equipment on file with this Company.



## 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>
----------------	--------------------	------------------------------

Per Schedule and values on file.

## 3. 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.

## 4. 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. 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 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.

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

## **ENDORSEMENT B**

### **APSIT Joint or Disputed Loss Agreement**

#### **JOINT OR DISPUTED LOSS AGREEMENT**

- A. This condition is intended to facilitate payment of insurance proceeds when:
  - 1. Both a commercial equipment breakdown policy and this property policy are in effect;
  - 2. Damage occurs to Covered Property that is insured by the commercial equipment breakdown policy and this property policy; and
  - 3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B. The provisions of this condition apply only if all of the following requirements are met:
  - 1. The commercial equipment breakdown policy carried by the Named Insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this condition;
  - 2. There is a Joint Loss or Disputed Loss as defined below; and
  - 3. The total amount of the loss is agreed to by you, the commercial equipment breakdown insurer(s) and us.
- C. Joint Loss and Disputed Loss are defined as follows:
  - 1. Joint Loss means that there is damage to property that is Covered Property under both the commercial equipment breakdown policy and this property policy and both the commercial equipment breakdown insurer(s) and we admit to some liability for payment under the respective policies.
  - 2. Disputed Loss means that there is damage to property that is Covered Property under both the commercial equipment breakdown policy and this property policy and the commercial equipment breakdown insurer(s) and we agree that there is some liability under one policy or the other, but disagree about which policy is liable for the loss.
- D. If the requirements listed in paragraph B. above are satisfied, we and the commercial insurer(s) will make payments to the extent, and in the manner, described as follows:
  - 1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this property policy and one-half (1/2) the amount of the loss that is in disagreement.
  - 2. The commercial equipment breakdown insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the commercial equipment breakdown policy and one-half (1/2) the amount of loss that is in disagreement.
  - 3. Payments by the insurers of the amounts that are in disagreement, as described in paragraphs 1. and 2., do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
  - 4. The amount in disagreement to be paid by us under this condition shall not exceed the amount payable under the equivalent loss agreement(s) of the commercial equipment breakdown policy.
  - 5. The amount to be paid under this condition shall not exceed the amount we would have paid had no commercial equipment breakdown policy been in effect at the time of loss. In no event will we pay more than the applicable property Limit shown in the Declarations.
  - 6. Acceptance by you of sums paid under this condition does not alter, waive or surrender any other rights against us.

E. Arbitration

1. The commercial equipment breakdown insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this condition.
2. You agree to cooperate with any arbitration procedures.
3. There will be three arbitrators: one will be appointed by us, and another will be appointed by the commercial equipment breakdown insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

F. Final Settlement Between Insurers

- a. The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay liquidated damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated damages are defined as interest from the date the insured invokes this agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the money rates column of the Wall Street Journal during the period of the liquidated damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ENDORSEMENT C

### **APSIT-Named Adjuster**

#### **1. Assigned Adjuster**

It is agreed that at the Insured's option, the Company will use: Sedgwick

**Brian H. Bearden, AIC, AINS** | Executive General Adjuster

**Sedgwick**

10825 Financial Centre Parkway, Suite 100, Little Rock, AR 72211

MOBILE 501-425-5242 | OFFICE 501-478-2900 | fax 501-421-0079

EMAIL [Brian.Bearden@Sedgwick.com](mailto:Brian.Bearden@Sedgwick.com)

for the adjustment of all claims made against this policy. This assignment may be changed by mutual consent of the Insured and the Company.

2. The Arkansas Public School Insurance Trust (APSIT) will pay on behalf of the State of Arkansas Participating Public School Entities any and all loss adjustment expenses for all losses pertaining to property losses within the aggregate retention in addition to expenses as specified in item 3 below.
3. APSIT will pay on behalf of the State of Arkansas Participating Public School Entities any specialty loss adjustment expenses for all losses pertaining to property losses within the aggregate retention with Risk Management Division's prior approval. Specialty loss adjustment expenses may include, but are not limited to; building consultants, cause and origin experts, engineers, legal counsel, salvage and subrogation expense experts.

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

## **ENDORSEMENT D**

### **CABOT LOCATION ENDORSEMENT**

IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE POLICY, IT IS HEREBY UNDERSTOOD AND AGREED THAT THE FOLLOWING CHANGES ARE APPLICABLE TO THE DOMESTIC MANUSCRIPT POLICY FORM;

1. IT IS FURTHER UNDERSTOOD AND AGREED THAT 16150 HWY 5 NORTH, CABOT, AR LOCATION IS NOT SUBJECT TO THE SUPPLEMENTAL DECLARATIONS — ADDITIONAL COVERAGE SUBLIMIT - 2.B; FOR SPECIAL FLOOD HAZARD AREAS (SFHA).

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

## ENDORSEMENT E

### **AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided by the Policy:

IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE POLICY, IT IS AGREED THAT CHANGES IN TIV SHALL BE REPORTED MONTHLY. PREMIUM SHALL BE CALCULATED BASED ON THE CHANGE IN TIV REPORTED MONTHLY. AN INVOICE WILL BE CREATED AS FOLLOWS THE NET ADDITIONAL OR THE NET RETURN PREMIUM:

INSTALLMENT:            July 1 through March 31 (Invoiced in April)

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

---

**Authorized Representative**

# Endorsement F

## Schedule of School District Entity Retentions

District	Property Retention	Inland Marine
01-01 - DeWitt School District	\$10,000	\$1,000
02-03 - Hamburg School District	\$10,000	\$1,000
03-02 - Cotter School District	\$10,000	\$1,000
03-03 - Mountain Home School District	\$10,000	\$1,000
04-02 - Decatur School District	\$10,000	\$1,000
04-04 - Gravette School District	\$10,000	\$1,000
04-05 - Rogers School District	\$25,000	\$1,000
04-06 - Siloam Springs School District	\$25,000	\$1,000
05-02 - Bergman School District	\$10,000	\$1,000
05-03 - Harrison School District	\$10,000	\$1,000
05-06 - Lead Hill School District	\$10,000	\$1,000
05-20 - Ozarks Unlimited Resources Cooperative	\$10,000	\$1,000
06-02 - Warren School District	\$10,000	\$1,000
08-01 - Berryville School District	\$10,000	\$1,000
08-02 - Eureka Springs School District	\$10,000	\$1,000
09-01 - Dermott School District	\$10,000	\$1,000
10-02 - Arkadelphia School District	\$10,000	\$1,000
14-02 - Magnolia School District	\$10,000	\$1,000
17-02 - Cedarville School District	\$10,000	\$1,000
17-04 - Mulberry / Pleasant View Bi-County School District	\$10,000	\$1,000
18-02 - Earle School District	\$10,000	\$1,000
18-03 - West Memphis School District	\$10,000	\$1,000
22-03 - Monticello School District	\$10,000	\$1,000
23-07 - Vilonia School District	\$10,000	\$1,000
24-20 - Guy Fenter Education Cooperative	\$10,000	\$1,000
26-01 - Cutter-Morning Star School District	\$10,000	\$1,000
26-02 - Fountain Lake School District	\$10,000	\$1,000
26-03 - Hot Springs School District	\$10,000	\$1,000
26-06 - Lakeside School District	\$10,000	\$1,000
28-07 - Greene County Tech School District	\$10,000	\$1,000
28-08 - Paragould School District	\$10,000	\$1,000
29-20 - Southwest Arkansas Education Cooperative	\$10,000	\$1,000
30-03 - Magnet Cove School District	\$10,000	\$1,000
32-01 - Batesville School District	\$10,000	\$1,000
33-01 - Calico Rock School District	\$10,000	\$1,000
35-05 - Pine Bluff School District	\$10,000	\$1,000
35-09 - Watson Chapel School District	\$10,000	\$1,000
35-99 - Arkansas Correctional School	\$10,000	\$1,000
36-01 - Clarksville School District	\$10,000	\$1,000
36-06 - Westside School District	\$10,000	\$1,000
38-20 - Northeast Arkansas Educational Cooperative	\$10,000	\$1,000
38-40 - Imboden Area Charter School	\$10,000	\$1,000
39-04 - Lee County School District	\$10,000	\$1,000
42-02 - Magazine School District	\$10,000	\$1,000

# Endorsement F

## Schedule of School District Entity Retentions

District	Property Retention	Inland Marine
43-04 - Cabot School District	\$10,000	\$1,000
44-01 - Huntsville School District	\$10,000	\$1,000
45-01 - Flippin School District	\$10,000	\$1,000
50-08 - Nevada School District	\$10,000	\$1,000
52-04 - Camden Fairview School District	\$10,000	\$1,000
52-20 - South Central Services Cooperative	\$10,000	\$1,000
54-03 - Helena - West Helena School District	\$10,000	\$1,000
54-20 - Great Rivers Cooperative	\$10,000	\$1,000
55-02 - Centerpoint School District	\$10,000	\$1,000
55-03 - Kirby School District	\$10,000	\$1,000
56-20 - Crowley's Ridge Cooperative	\$10,000	\$1,000
58-05 - Russellville School District	\$10,000	\$1,000
60-02 - North Little Rock School District	\$10,000	\$1,000
62-05 - Palestine-Wheatley School District	\$10,000	\$1,000
66-03 - Hackett School District	\$10,000	\$1,000
66-05 - Lavaca School District	\$10,000	\$1,000
66-06 - Mansfield School District	\$10,000	\$1,000
68-04 - Highland School District	\$10,000	\$1,000
70-07 - Parkers Chapel School District	\$10,000	\$1,000
70-08 - Smackover - Norphlet School District	\$10,000	\$1,000
71-04 - Shirley School District	\$10,000	\$1,000
72-01 - Elkins School District	\$10,000	\$1,000
72-02 - Farmington Public Schools	\$10,000	\$1,000
72-04 - Greenland School District	\$10,000	\$1,000
72-07 - Springdale School District	\$25,000	\$1,000
72-08 - West Fork School District	\$10,000	\$1,000
72-20 - Boston Mountain Education Cooperative	\$10,000	\$1,000
72-21 - Northwest Arkansas Education Service Cooperative	\$10,000	\$1,000
73-02 - Beebe School District	\$10,000	\$1,000
73-07 - Riverview School District	\$10,000	\$1,000
73-09 - Pangburn School District	\$10,000	\$1,000
73-10 - Rose Bud School District	\$10,000	\$1,000
73-11 - Searcy School District	\$10,000	\$1,000
73-20 - Wilbur D. Mills Education Service Cooperative	\$10,000	\$1,000



## ENDORSEMENT No. 6: CARRIER PARTICIPATION ATTACHMENT CLAUSE

**Insured: State of Arkansas Participating Public School District Entities**

**Policy Period: July 1<sup>st</sup> 2024-2025**

### 1. ATTACHMENT CLAUSE

This policy is made and accepted subject to the foregoing provisions and stipulations which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as are enclosed hereon or added hereto, as provided in this policy.

The insurance company(ies) signatory hereto (hereinbefore called the Company) each for itself severally but not jointly do(es) insure for the amount underwritten for each and every loss covered hereunder as set forth under their respective names. The collective liability of each Company shall not exceed the program limit of liability or any appropriate program limit of liability or any Annual Aggregate limit.

The program limit of liability or amount of insurance shown on the face of this policy, or endorsed on this policy, is the total limit of the Company's liability applicable to each occurrence, as defined in this policy. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the Company exceed this limit or amount irrespective of the number of locations involved.

In witness whereof, the following Company(ies) execute and attest these presents, and subscribe for the amount of participation of the insurance provided hereunder as shown:

COMPANY	POLICY NO.	PARTICIPATION	LAYER %	AUTHORIZED SIGNATURE
Lexington Insurance Company	061384462	\$25,000,000 part of Primary \$100,000,000	25%	
Starstone Specialty Insurance	CSP00149752P-00	\$10,000,000 part of Primary \$100,000,000	10%	
RSUI Indemnity Company	NHD944100	\$5,000,000 part of Primary \$100,000,000	5%	
Allied World Assurance Company (U.S.), Inc.	0313-8964-1A	\$5,000,000 part of Primary \$100,000,000	5%	
Princeton Excess & Surplus Lines Ins. Co.	R1-A3-PP-0000010-00	\$4,000,000 part of Primary \$100,000,000	4%	

COMPANY	POLICY NO.	PARTICIPATION	LAYER %	AUTHORIZED SIGNATURE
Arch Specialty Insurance Co	ESP1046561-01	\$2,500,000 part of Primary \$100,000,000	2.5%	
Underwriters at Lloyd's London: Kiln	PW0547624	\$16,750,000 part of Primary \$50,000,000	33.5%	
Westchester Surplus Lines Ins Co	D39177973 002Q	\$5,000,000 part of Primary \$50,000,000	10%	
Starr Surplus Lines Ins Co	SLSTPTY12109524	\$2,500,000 part of Primary \$50,000,000	5%	
Underwriters at Lloyd's London: Brit	PW0547724	\$10,500,000 part of \$50,000,000 excess of \$50,000,000	21%	
Underwriters at Lloyd's London: PartnerRe	PW0622624	\$3,750,000 part of \$50,000,000 excess of \$50,000,000	7.5%	
Westfield Specialty Insurance Co	XAR-337633Y-01	\$3,500,000 part of \$50,000,000 excess of \$50,000,000	7%	
Beazley Excess & Surplus Ins Inc	D3536D240201	\$1,500,000 part of \$50,000,000 excess of \$50,000,000	3%	
AXIS Surplus Insurance Co	EAF668065-24	\$2,500,000 part of \$50,000,000 excess of \$50,000,000	5%	
Underwriters at Lloyd's London: IGI	PW0622724	\$2,500,000 part of \$50,000,000 excess of \$50,000,000	5%	
Underwriters at Lloyd's London: Fidelis	PW0461524	\$48,750,000 part of \$150,000,000 excess of \$100,000,000	32.5%	
SwissRe Corporate Solutions Elite Insurance Co	NAP 2004328-03	\$30,000,000 part of \$150,000,000 excess of \$100,000,000	20%	
RSUI Indemnity Company	NHD944101	\$30,000,000 part of \$150,000,000 excess of \$100,000,000	20	

COMPANY	POLICY NO.	PARTICIPATION	LAYER %	AUTHORIZED SIGNATURE
Obsidian Specialty Insurance Co	PAC-PR00000723-00	\$15,000,000 part of \$150,000,000 excess of \$100,000,000	10%	
Endurance Specialty Insurance Ltd.	BPD30000459801	\$15,000,000 part of \$150,000,000 excess of \$100,000,000	10%	
Hamilton Re, Ltd.	PX24-7639-01	\$11,250,000 part of \$150,000,000 excess of \$100,000,000	7.5%	
Underwriters at Lloyd's London: Chubb Bermuda	PW0461224	\$250,000,000 excess of \$250,000,000	100%	
Great American Fidelity Ins Co	CPP F202697 00	\$50,000,000 excess of \$500,000,000	100%	
Underwriters at Lloyd's London: Chubb Bermuda	PW0461224	\$200,000,000 excess of \$550,000,000	100%	
Mitsui Sumitomo Ins Co of America	EXP7001256	\$65,000,000 part of \$90,000,000 excess of \$750,000,000	72.22%	
AXIS Surplus Insurance Co	EAF674575-24	\$25,000,000 part of \$90,000,000 excess of \$750,000,000	27.78%	

## ENDORSEMENT #007

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### TERRORISM EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

This insurance does not cover loss or damage caused directly or indirectly by **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 cause or event. Such **terrorism** is excluded regardless of any other cause or event occurring concurrently or in any sequence with such **terrorism**.

As used herein, **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 #008**

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**

**By: LEXINGTON INSURANCE COMPANY**

**EQUIPMENT BREAKDOWN EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided by the Policy:

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature caused by, resulting from or in connection with any of the following:

1. Electrical injury or disturbance to electrical appliances, devices, or wiring caused by artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances, or wires.
2. Mechanical breakdown, including rupture or bursting caused by centrifugal force.
3. Explosion, rupture, or bursting of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by the Insured, or operated under the control of the Insured.
4. Any condition or event inside any steam boilers, steam pipes, steam engines, or steam turbines that causes loss or damage to such equipment.
5. Any condition or event inside any hot water boilers or other water heating equipment that causes loss or damage to such boilers or equipment.

However, if direct physical loss or damage not otherwise excluded by this Policy ensues from any of the excluded causes of loss enumerated in Paragraphs 1 - 5 above, the Company shall cover only such ensuing loss or damage.

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



---

Authorized Representative

**ENDORSEMENT #009**

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**

**By: LEXINGTON INSURANCE COMPANY**

**ANTI-STACKING ENDORSEMENT**

This endorsement modifies insurance provided by the Policy:

The following condition is added to the Policy:


If this insurance and any other insurance issued to the Insured by the Company or any entity that the Company controls, is controlled by or is under common control with applies to the same loss, claim, suit, occurrence or accident, whichever is applicable, then:

1. The maximum limit of liability, or
2. The maximum sublimit of liability with respect to a specific coverage or specific Covered Cause of Loss or peril;

under all insurance available from the above entities in the aggregate will not exceed the highest applicable limit of liability or highest applicable sublimit of liability available under any one policy.

However, this condition does not apply to any other insurance issued to the Insured by the Company or any entity that the Company controls, is controlled by or is under common control with which is specifically written to be primary to, in excess of, or quota share with the Policy to which this endorsement is attached.

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



---

Authorized Representative

## ENDORSEMENT #010

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**

**By: LEXINGTON INSURANCE COMPANY**

### CANCELLATION - ADDITIONAL PROVISIONS

This endorsement modifies insurance provided by the Policy:

The Policy is amended as respects cancellation. The following additional provisions shall apply with respect to the cancellation provisions of this Policy:

If this Policy covers any location or locations in "Tier 1 wind zone(s)" as defined in this Policy, and the Policy is cancelled at the request of the Insured, the following provision will apply:

If the Policy was in effect at any time during the period from June 1st to November 30th, the amount of premium we will return upon the Insured's cancellation of the Policy will be a percentage of the total premium, determined as follows:

#### 1 Year Policy

Number of Days Policy In Force	Percentage of Premium to Be Returned
1 to 180	20%
181 to 210	15%
211 to 240	10%
241 to 270	7.5%
271 to 300	5.0%
301 to 330	2.5%
331 to 365	0.0%

If a coverage or location is added to or deleted from the Policy, each type of coverage or such location(s) shall be underwritten separately and the rate will be determined based upon the characteristics of the risk.

If a location within a "Tier 1 wind zone" is added to or deleted from the Policy, and coverage for that location existed at any time during the period from June 1st to November 30th, the premium to be returned for that location upon the Insured's cancellation of the Policy will be determined in accordance with the above table.

If a location is not within a "Tier 1 wind zone" and is added to or deleted from the Policy, normal pro rata or short rate factors shall apply as provided by the Policy.

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

A handwritten signature in black ink, appearing to read "Christopher D. Hume". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

---

Authorized Representative



## ENDORSEMENT #011

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### FUNGUS, MOLD OR SPORE EXCLUSION

This endorsement modifies insurance provided by the Policy:

I. The following exclusion is added to the Exclusions section, Perils Excluded section or other similar section of the Policy:

- Notwithstanding any other provision of this Policy to the contrary, the Company does not insure any loss, cost, damage or expense, directly or indirectly, caused by, arising out of, attributable to, resulting from or occurring concurrently or in any sequence with **Fungus, Mold or Spore**.

II. The following definition is added to the Definitions section or other similar section and applies to this Policy and supersedes any similar definition of the Policy to the contrary:

- **Fungus, Mold or Spore** means:

**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, yeast, smuts and mushrooms.

**Mold** 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)**.

**Spore** includes any dormant or reproductive body produced by or arising or emanating out of any **Fungus, Mold(s)**, mildew, plants, organisms or microorganisms.

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



Authorized Representative

## ENDORSEMENT #012

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**

**By: LEXINGTON INSURANCE COMPANY**

### 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

**ENDORSEMENT #013**

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**

**By: LEXINGTON INSURANCE COMPANY**

**COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided by this Policy:

Notwithstanding any other provision of this Policy to the contrary, the Company does not insure any loss, cost, damage or expense, arising out of, attributable to, or occurring concurrently or in any sequence with a **communicable disease**.

As used herein, **communicable disease** means any infectious or contagious substance:

1. Including, but not limited to, a virus, bacterium, parasite or other organism or any mutation thereof, whether deemed living or not, and
2. Regardless of the method of transmission, whether direct or indirect, including, but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal,

that 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 tangible or intangible property insured hereunder.

For avoidance of doubt, no coverage extension, additional coverage, global extension, exception to any exclusion or other coverage grant shall afford any coverage that would otherwise be excluded through this exclusion. For further avoidance of doubt, loss, cost, damage or expense, includes any cost to clean-up, detoxify, remove, monitor or test: (1) for a **communicable disease** or (2) any tangible or intangible property insured hereunder that is affected by such **communicable disease**.

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



---

Authorized Representative

## ENDORSEMENT #014

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### AIR SUPPORTED STRUCTURES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

The following property is added to the Property Excluded section, Property Not Covered section or similar section of the Policy:

- **Air Supported Structures.**

As used in this endorsement, **Air Supported Structures** means structures composed of air-pressurized membrane beams, arches or other elements to enclose space and where the shape of the structure is attained by air pressure.

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



---

Authorized Representative

## ENDORSEMENT #015

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### GRAIN ELEVATOR EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

The following property is added to the Property Excluded section, Property Not Covered section or similar section of the Policy:

- **Grain Elevators**

As used in this endorsement, **Grain Elevator(s)** means the entire grain elevator complex, including receiving and testing offices, weighbridge, storage facilities, and processing facilities, and further includes any facility, silo, tower or elevator designed to stockpile, store, process, deposit or move grain.

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



Authorized Representative

**ENDORSEMENT #016**

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**

**By: LEXINGTON INSURANCE COMPANY**


**(1) DAMS, DIKES AND LEVEES AND (2) FILL BENEATH ANY BUILDINGS OR  
STRUCTURES EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided by the Policy:

The following property is added to the Property Excluded section, Property Not Covered section or similar section of the Policy:

- Dams, dikes, levees, aqueducts and other surface containments.
- Fill beneath any buildings or structures.

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

  
Au

## ENDORSEMENT #017

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### PROPERTY CYBER AND DATA EXCLUSION

This endorsement modifies insurance provided by the Policy:

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

- 1.1 Cyber Loss;

- 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
3. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

#### Definitions

4. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
5. Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
6. Cyber Incident means:
  - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
7. Computer System means:
  - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,

owned or operated by the Insured or any other party.

8. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

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



---

Authorized Representative



## ENDORSEMENT #018

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### EXTORTION AND RANSOMWARE EVENT EXCLUSION

This endorsement modifies insurance provided by this Policy:

Notwithstanding any other provision of this Policy to the contrary:

- I. The Company does not insure any loss, cost, damage, expense or payment, directly or indirectly, arising out of, or attributable to:

1. **Extortion**; or
2. A **ransomware event** or any remediation of any **ransomware event**;


including any loss, cost, damage or expense to repair, replace or restore any **computer system** or data of any kind or description, including loss of functionality, reduction in functionality or loss of use of any **computer system** or data.

- II. The following definitions apply to this endorsement:

1. **Computer system** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
2. **Extortion** means the demand or request for:
  - a. Anything of value of any kind or description, including anything of monetary value or that can be converted into a tangible or intangible asset, or
  - b. Any act, forbearance or promise to do something or refrain from doing something, in connection with: (i) any loss or damage to property (ii) loss, damage or release of data of any kind or description or (iii) any interruption of operations, including any interruption of the operations of any **computer system** of any kind or description; through any means or method, including a **ransomware event**, or any fear of or threat to cause such loss, damage, release or interruption.
3. **Ransomware event** means use of unauthorized or malicious software code to encrypt data or interrupt the operations of any **computer system** of any kind or description for the purpose of **extortion**.

For avoidance of doubt, no coverage extension, additional coverage, global extension, exception to any exclusion or other coverage grant shall afford any coverage that would otherwise be excluded through this exclusion.

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



Authorized Representative

**ENDORSEMENT #019**

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**

**By: LEXINGTON INSURANCE COMPANY**

**(1) DIGITAL ASSETS AND (2) OPERATIONS WITH RESPECT TO DIGITAL  
ASSETS EXCLUSIONARY ENDORSEMENT**

This endorsement modifies insurance provided by this Policy:

Notwithstanding any other provision of this Policy to the contrary, the following provisions apply:

- I. The following is added to the Perils Excluded, Perils Not Covered or other similar section of this Policy:

The Company does not insure for any loss, cost, damage, expense or loss of use arising out of or caused directly or indirectly by the mining, acquiring, processing, transmitting, converting, exchanging, transacting, moving, holding, creating, destroying, deleting and/or other similar operations with respect to **digital assets** (hereinafter, collectively **operations**) regardless of the methodology or equipment used to accomplish such **operations**. Such loss, cost, damage, expense or loss of use is excluded regardless of any other cause or event contributing concurrently or in any sequence to such loss, cost, damage, expense or loss of use.

- II. The following is added to the Property Not Covered, Property Excluded, Excluded Property or other similar section of this Policy:

- **Digital asset(s)**

- III. The following is added to the Definition Section or similar section of the Policy:

- **Digital asset(s)** means cryptocurrency, virtual currency, crypto asset(s), smart contract(s), non-fungible token(s), other token(s) or any other similar term that is a digital representation of value designed to work as a medium of exchange, unit of account, or store of value that uses cryptography to secure financial transactions, control the creation of additional units, and/or verify the transfer of assets. **Digital asset(s)** also means any counterfeit or fictitious digital representation of value designed to work as a medium of exchange, unit of account, or store of value.

To the extent that there is any other term, grant of coverage or exception to an exclusion that could include or be construed to cover **digital assets** or **operations**, such term, grant of coverage or exception to an exclusion shall not be construed to provide any coverage for **digital assets** or **operations**.

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



Authorized Representative

## ENDORSEMENT #020

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSION WITH RADIOACTIVE CONTAMINATION COVERAGE ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

#### SCHEDULE

Radioactive Contamination Sublimit: \$NOT COVERED per Occurrence

---

Notwithstanding any other provision of this Policy to the contrary the following applies:

I. The Company does not insure for loss or damage caused directly or indirectly by any of the following perils or events. Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage:

- Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by any other peril or event. However, if fire not otherwise excluded ensues, the Company shall be liable for direct physical loss or damage by such ensuing fire, but not including any loss or damage due to nuclear reaction, nuclear radiation or radioactive contamination.
- Any device employing atomic fission, fusion or radioactive force, or any device that disperses radioactive material or a directed-energy or electromagnetic weapon.
- Unlawful possession, use, release, discharge, detonation, explosion, dispersal or disposal of any chemical, **biological**, radioactive or similar agents or matter.

As used herein, **biological** means agents or matter including all microorganisms, fungus, mold, spores, bacteria, viruses, rickettsia, prions, nucleic acids, toxins, toxin-producing agents, and poisons produced by biological organisms.

- Any fraudulent or dishonest act or acts committed alone or in collusion with others: by any proprietor, partner, director, trustee, officer or employee of the Insured, or by any party to whom the property may have been entrusted (other than a carrier for hire).

However, a willful act of destruction to property insured under this Policy by an employee of the Insured, not otherwise excluded, and without the knowledge of any of the Insured's proprietors, partners, directors, trustees or officers is covered.

These exclusions apply whether in time of peace or war, regardless of who commits the act, and whether or not the event was accidental.

For avoidance of doubt, even if coverage is affirmatively provided for terrorism (as defined in this Policy) or required by law, the Company will not pay for any loss, cost, damage or expense,

arising out of or occurring concurrently or in any sequence with the perils or events above regardless of any exception contained therein.

II. The following Additional Coverage, Coverage Extension or other similar term is added to the Policy and supersedes any similar provision of the Policy to the contrary:

- Radioactive Contamination Additional Coverage:

Subject to the Radioactive Contamination sublimit of liability shown in the above Schedule, this Policy is extended to cover direct physical loss or damage to property insured under this Policy caused by **accidental** radioactive contamination, including resultant radiation damage, all as not otherwise excluded, that is discovered within twenty-four (24) hours of its Occurrence, provided that such radioactive contamination, including resultant radiation damage, arises out of radioactive material at a Location insured under this Policy and such material is used as part of the Insured's business activities. This Additional Coverage includes the cost to clean-up radioactive contamination, including resultant radiation damage, from property insured under this Policy at a Location insured under this Policy, resulting from such loss or damage, but does not include testing or monitoring for radioactive contamination, including resultant radiation damage. There will be no coverage unless the loss, damage or cost is reported to the Company within one hundred eighty (180) days after the Occurrence.

As used herein, **accidental** means that the event is not intentional, regardless of whether such event is committed by an individual or group of individuals or whether any such individual(s) would be deemed to be an Insured under this Policy.

The Company does not cover radioactive contamination, including resultant radiation damage, arising out of:

1. A nuclear reactor at any Location insured under this Policy,
2. Any new or used nuclear fuel intended for or used in such nuclear reactor, or
3. Radioactive material originating outside any Location insured under this Policy, whether or not the loss or damage is sustained at any Location insured under this Policy.

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



Authorized Representative

**ENDORSEMENT #021**

**This endorsement, effective 12:01 AM, 07/01/2024**

**Forms a part of Policy No.: 061384462**

**Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES**


**By: LEXINGTON INSURANCE COMPANY**

**CONFISCATION, EXPROPRIATION AND NATIONALIZATION EXCLUSION  
ENDORSEMENT**

This endorsement modifies insurance provided by this Policy:

Notwithstanding any other provision of this Policy to the contrary, the Company does not insure any loss, cost, damage or expense, arising out of, attributable to, caused directly or indirectly by or occurring concurrently or in any sequence with confiscation, expropriation, nationalization, seizure, appropriation, commandeering, requisition for use or title, or willful destruction of or damage to property, by any de jure or de facto: government, sovereign power, civil authority or military authority, including any action taken under any quarantine or customs regulations.

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



\_\_\_\_\_  
Authorized Representative

## ENDORSEMENT #022

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### EXCLUDED TERRITORIES DEFINITION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

If any coverage, additional coverage, coverage extension, or any other similar provision (hereinafter, the **coverage provision**) provides coverage that includes any of the geographic areas stated in the **excluded territories** definition below, then, notwithstanding such **coverage provision**, no coverage shall be provided in any of the **excluded territories** or arising out of an event in any of the **excluded territories**.

**Excluded territories** means:

Afghanistan, Albania, Algeria, Angola, Anguilla, Antigua & Barbuda, Armenia, Aruba, Azerbaijan, Bangladesh, The Bahamas, Barbados, The Republic of Belarus, Belize, Benin, Bolivia, Botswana, British Virgin Islands, Burkina Faso, Burma (Myanmar), Burundi, Cambodia, Cameroon, Cape Verde, Caribbean Netherlands, Cayman Islands, Central African Republic, Chad, Comoros, The Democratic Republic of Congo, Republic of the Congo, Cuba, Curacao, Djibouti, Dominica, Dominican Republic, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Gaza Strip, Georgia, Ghana, Golan Heights, Grenada, Guadeloupe, Guinea, Guinea-Bissau, Guyana, Haiti, Iran, Iraq, Ivory Coast, Jamaica, Kazakhstan, Kenya, Kosovo, Kyrgyzstan, Laos, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Martinique, Mauritania, Mayotte, Moldova, Mongolia, Montenegro, Montserrat, Mozambique, Namibia, Nepal, Nicaragua, Niger, Nigeria, North Korea, Pakistan, Palestine, Papua New Guinea, La Reunion Island, The Russian Federation, Rwanda, Sao Tomé and Príncipe, Senegal, Serbia, Seychelles, Sierra Leone, Somalia, Sri Lanka, St. Barthelemy, St. Kitts and Nevis, St. Lucia, St. Martin/St. Maarten, St. Vincent and the Grenadines, Republic of South Sudan, Sudan, Suriname, Swaziland, Syria, Tajikistan, Tanzania, Timor-Leste, Togo, Trinidad & Tobago, Tunisia, Turkmenistan, Turks & Caicos, Uganda, Ukraine (in accordance with the borders established as of the 1991 Declaration of Independence, including the Crimean peninsula and the Donetsk and Luhansk regions), Uzbekistan, Venezuela, West Bank, Western Sahara, Yemen, Zambia, and Zimbabwe.

If this endorsement is added to a Policy that also contains the "Coverage Territory Amendment Endorsement (Excluding Puerto Rico and United States Virgin Islands)", then Puerto Rico and United States Virgin Islands shall also be considered **excluded territories** as set forth above.

Regardless of: (1) any location on the Statement of Locations or Values (or otherwise stated), (2) any definition that may contain any location shown above, or (3) any change in sanction status, there shall be no coverage provided in any of the **excluded territories** or arising out of an event in any of the **excluded territories**.

The inclusion of one or more of the **excluded territories** in any other provision of this Policy does not provide coverage for such geographic area. Where there is any conflict between the terms of this endorsement and the terms of the Policy, the terms of this endorsement shall apply, subject at all times to the application of any Sanctions clause.

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



Authorized Representative

## ENDORSEMENT #023

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### WAR EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

Notwithstanding any other provision of this Policy to the contrary, the Company does not insure any loss, cost, damage or expense, arising out of, attributable to, or occurring concurrently or in any sequence with:

1. War, 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 any government or sovereign power (de jure 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 employing atomic fission, fusion or radioactive force, or any weapon that disperses radioactive material or a directed-energy or electromagnetic weapon, whether in time of peace or war, whether or not its discharge was accidental; or
3. Insurrection, rebellion, revolution, civil war, usurped power, seizure, destruction or any action taken by governmental authority in hindering, combating or defending against any action set forth above;

Including any consequence of Subparagraphs 1., 2. or 3. above of this exclusion.

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



Authorized Representative

## ENDORSEMENT #024

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### STANDARD PROPERTY CONDITIONS

This endorsement modifies insurance provided by the Policy:

#### FIRST NAMED INSURED

If this Policy insures more than one person or organization, the **First Named Insured** is authorized to act on behalf of all other Insureds with respect to such Insureds' rights, obligations, and duties under this Policy including, but not limited to, the giving and receiving of notices under this Policy. Payment of loss or return premium under this Policy to the **First Named Insured** shall satisfy the Company's obligations with respect to all Insureds under this Policy.

As used in this Policy, the **First Named Insured** means the Named Insured first shown in the Named Insured section of the Declarations.

#### CANCELLATION

This Policy can be canceled by the **First Named Insured** by providing the Company with an advance written request for cancellation stating when the cancellation shall be effective.

This Policy may be canceled by the Company by giving written notice to the **First Named Insured** stating when, not less than ninety (90) days thereafter (or ten (10) days thereafter for non-payment of premium) such cancellation shall be effective. If notice is mailed, proof of mailing will be sufficient proof of notice. Payment or tender of any unearned premium due to the **First Named Insured** shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made in due course.

If the Company cancels, any refund due will be pro-rata. If the **First Named Insured** cancels, any earned premium due will be calculated in accordance with the customary short-rate table and procedure, subject to a Minimum Earned Premium.

#### GOVERNMENT ACTIVITY

In the event of an order or action of a governmental body or public authority: (1) to destroy insured property for the purpose of preventing the spread of fire or (2) to demolish and clear the undamaged portion of a damaged building caused by a peril insured under this Policy, subject to the terms and conditions of this Policy, the Company shall pay the covered loss or damage sustained by the Insured.

#### REQUIREMENTS IN CASE OF LOSS

In the case of loss or damage, 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;
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;
9. Allow the Company to examine and audit the Insured's books and records at any reasonable time for the purpose of investigating or verifying any claim;
10. Cooperate with the Company in all aspects of any claim and provide the Company with any additional information that the Company requires; and
11. 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**

Within sixty (60) days after the Company's request, the Insured shall provide the Company with a proof of loss, signed and sworn to by the Insured, stating the knowledge and belief of the Insured as to the following:

1. The time and origin of the loss;
2. The interest of the Insured and of all others in the property;
3. The value of each item thereof determined in accordance with the valuation provisions of this Policy and the amount of loss thereto and all encumbrances thereon;
4. All other contracts of insurance, whether collectible or not, covering any of said property; and
5. 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 sent to the Company at P.O. Box 25967, Shawnee Mission, Kansas, 66225.

#### **ADJUSTMENT OF LOSSES**

Loss or damage will be adjusted with the **First Named Insured** or as directed in writing by the **First Named Insured** and shall be payable as directed in writing by the **First Named Insured** subject to: mortgagee; lender; or similar interests; as their interests may appear as shown on the Certificates of Insurance or any endorsement attached to and forming a part of this Policy. The effective date of any interests will be the issue date of the Certificate of Insurance unless a later date is specified on the Certificate of Insurance.

Notwithstanding the foregoing, if the Company is prohibited from adjusting and making payment in accordance with the preceding paragraph, the Company will adjust and make payment to the **First Named Insured**.

#### **QUOTA SHARE OR PARTICIPATION**

If quota share or participation language is included in this Policy, then the participation percentage applies to the Company's payment of all loss or damage under this Policy. Therefore, this participation percentage applies to the limits of liability, sublimits of liability, the recoverable amount of the loss or damage and any limitation tied to the reported values. This participation percentage does not apply to the application of any deductible, waiting period or qualifying period.

#### **APPRAISAL**

If the Company and the Insured disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In such event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the replacement cost and actual cash value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, it is without prejudice to the Company's rights under the terms and conditions of this Policy and the Company's right to deny the claim in whole or in part.

#### **SERVICE OF SUIT**

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 General Counsel, Legal Department, *Lexington Insurance Company, 99 High Street FL 25, 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 General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

#### **SALVAGE AND RECOVERY**

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.

#### **SUIT AGAINST COMPANY**

No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the same be commenced within 24 months immediately after the date of the loss, provided however, that if under the laws of the applicable jurisdiction such time limitation is unenforceable, then the period within which such action or proceeding must be commenced shall be the shortest period of time permitted by the laws of such jurisdiction.

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



---

Authorized Representative

## ENDORSEMENT #025

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

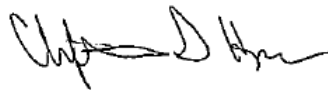
### ERRORS OR OMISSIONS IN PROGRAMMING EXCLUSION

This endorsement modifies insurance provided by this Policy:

Notwithstanding any other provision of this Policy to the contrary, the Company does not insure any loss, cost, damage or expense, arising out of, attributable to, or occurring concurrently or in any sequence with any error or omission in machine programming or instructions of **electronic data**, including, loss attributable to program design constraints, networking compatibility and original business software; all unless direct physical loss or damage not otherwise excluded by this Policy ensues, in which event, the Company shall cover only such ensuing loss or damage.

As used in this endorsement, **electronic data** means data, messages, information, coding, programs, instructions or software in a form suitable for communications, storage, or processing by electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment.

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



Authorized Representative

## ENDORSEMENT #026

This endorsement, effective 12:01 AM, 07/01/2024

Forms a part of Policy No.: 061384462

Issued to: STATE OF ARKANSAS PARTICIPATING PUBLIC SCHOOL DISTRICT ENTITIES

By: LEXINGTON INSURANCE COMPANY

### SHARED COVERAGE ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

1. The following provision is added at the end of the POLICY SUB-LIMITS Section of the SUPPLEMENTALDECLARATIONS, right before the MAXIMUM AMOUNTPAYABLE Section:

All coverage under this Policy is provided on a shared basis unless a specific per entity amount is listed in the Policy Declarations or Supplemental Declarations. In the event of a single Occurrence that causes direct physical loss or damage to property of more than one individual entity, it is possible that the applicable shared limit of liability or shared sub-limit(s) of liability (whether on a per occurrence or an Annual Aggregate basis), will be insufficient to fully indemnify the physical loss or damage as sustained by multiple individual entities. If the applicable limit of liability or sub-limit is insufficient, the amount recoverable by each individual entity will be prorated among all loss participants as determined by APSIT. As a result, a delay in the reporting of claims by any individual entity could reduce or eliminate such individual entity's recovery under this Policy.

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



---

Authorized Representative

## RPS Specialty Market Policy Notices for the Policy Holder and Retail Producer

This form is NOT a part of the policy and does NOT amend policy wording, but is designed to be delivered when the policy is provided to the Policy Holder. When using "you" or "your" the form is addressing the Policy Holder; when using "Producer" it refers to the Retail Producing Entity and/or their production person; RPS is used for Risk Placement Services, Inc.

**Assignment:** This Policy or Certificate may not be assigned to another entity without the written consent of the Insurer. The policy wording should be reviewed carefully for this provision before any assignment attempt is made.

**Audits:** If your insurance policy includes general liability, product liability and/or completed operations liability, your policy is subject to an audit on a Minimum and Deposit basis. Liability premiums are often calculated using estimated exposures for a future period of time, for example gross annual sales, payroll and subcontractor costs. At the end of your policy period, the company may audit the actual exposures for your policy period. If the exposures are higher than estimated, additional premium will be due. If the exposures are lower than estimated, and the premium already paid is a Minimum and Deposit premium then no premium adjustment will be made, and no return premium will be issued. The Producer should review any Audit Condition from the policy with you. The Producer is responsible for collecting any audit premiums due within 20 days of the billing, unless otherwise noted.

**Binding Coverage:** Coverage can only be bound after a written request is received and acknowledged by RPS.

**Cancellation:** The policy has specific cancellation provisions that should be reviewed, and may be subject to special endorsements based on the State regulations. Flat cancellations are not allowed. In order to cancel you need to make written request in advance of the requested date. The policy also contains provisions that establish minimum earned premiums, minimum and deposit premiums or fully earned premiums. Cancellation for non-payment of premium, including failure to pay outside financing, is generally considered to be at the request of the Insured and therefore subject to financial penalties as described in the policy. If a Notice of Cancellation is sent for non-payment, there may be a Service Fee (not a premium) required to effect a rescission of the Notice. The amount of the fee will typically be shown on the Notice, and must be paid by the party requesting the rescission. The policy may not continue if the Service Fee is not paid.

**Certificates of Insurance:** You may request Certificates of Insurance from the Producer that placed your insurance policy. Such Certificates cannot contain wording contrary to the Policy Coverage as provided. Additional Insureds, often requested with Certificates of Insurance, generally require an Additional Premium, and can only be added after the Insurer knows of the insurable interest and accepts the entity as being added to the policy. Producers can access the RPS website to obtain many Certificates or make special coverage change requests via endorsement as needed to satisfy certain Certificate Holders, keeping in mind such additional coverages may require additional premium charges.

**Claims Reporting:** Report all claims as soon as possible. The policy will define what constitutes a claim. The policy contains specific address, phone, or website information as to where and how to report a claim. Most Insurers maintain 24/7 service of such numbers. Your Producer may also assist you with filing a claim, and they have access to the **RPS website <https://my.rpsins.com/claimsfnol>** and/or **RPS claim reporting toll free number 1-844-777-8323** to do so, however, you should review the claim reporting provision of the policy. If your policy is a "claims-made" policy, it is essential to understand what constitutes a claim from the language in the policy, and also know that all claims must be reported to the insurer as soon as possible. Both the policy and your broker can instruct you how and where to submit a claim. If a claim is reported after the time period specified in the policy, the insurer may deny coverage. Do not offer to compromise or settle any claim or demand without the insurer's prior agreement, or you will risk losing coverage.

**Coverage:** This policy may not be as broad in scope as the policy it replaces nor as the coverage requested. This policy was issued to reflect the coverage as quoted by RPS to your Producer. Your Producer should review the entire contract of insurance with you.

**Endorsements:** Additional coverage, changes or revisions are subject to acceptance of the Insurer and must be endorsed to the policy. The Producer has no authority to endorse or change the policy, but should submit in writing the requested changes to RPS who will work with the Insurer to effect endorsement's acceptability to the Insurer. Coverage is not in force until confirmed by RPS.



**Fees:** Unless otherwise noted, all Fees are fully earned at the time of placement of this insurance and are not subject to pro-rata return if the policy is cancelled.

**Financing:** Any premium financing is a contractual relationship between the Premium Finance Company (PFC) and the Borrower. The Insurer, Agents, nor Brokers are parties to the Finance Agreement, and policy wording will not be amended to any contractual provisions therein. All such contracts must be set up showing the Insurer's Name c/o Risk Placement Services, Inc., using the RPS branch address where the policy was placed. Once financed, it is the duty of the Producer to inform the PFC of any changes to the contract, additional or return premiums, and cancellation of the policy.

**Forms Signed & Returned:** The policy may have been delivered with forms that require the signature of the Named Insured. Such forms should be signed and returned to the Producer immediately, so they can in turn provide them to RPS, who will post them to the Insurer files.

**Inspections:** To keep coverage in force, an inspection may be required, and provisions for this are in the policy. Producer should review with the Policy Holder the need to arrange site appointments with inspectors, who may be vendors.

**Minimum Earned Premium:** This quotation/policy may include a Minimum Earned Premium provision, expressed as a percentage and/or dollar amount. This means that if the insurance policy is cancelled by you for any reason, the company will retain no less than the Minimum Earned Premium.

*Example: The policy premium is \$1,000 and the Minimum Earned Premium is 25%. The policy is an annual policy and is cancelled after 2 days of being in force. The company would retain at least 25% of the premium ( $\$1,000 \times 25\% = \$250$  and return no more than \$750.*

**Producer Not Agent:** The Producer is a representative of the Policy Holder / Named Insured, and as such does not act as an Agent of the Insurer nor of RPS.

**Transportation Policies:** Report all newly hired drivers as soon as possible. Report all newly acquired vehicles prior to putting them in service and/or on the road.

## Commercial Property – Claim Reporting and Claim Questions

### Options for Reporting a New Claim

- **Telephone :** **AIG CallOne<sup>sm</sup>:** 800-931-9546 24/7, 365 days/year
- **Fax :** 855-805-4125
- **Email :** **Please send your email to:**  
[NewLoss-USproperty&energy@aig.com](mailto:NewLoss-USproperty&energy@aig.com)
- **Mail :** P.O. Box 25967, Shawnee Mission, KS 66225

Such 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 via phone or email with the assigned AIG Examiner. ***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**