


**RESOLUTION 15-39**

**BE IT RESOLVED** that the appropriate officers of the City are authorized to execute, deliver and ratify on behalf of the City that certain continuing Interlocal Agreement between the City and Preferred Governmental Insurance Trust, relating to the insurance for the City's Amphitheater facilities at Aaron Bessant Park, dated October 1, 2004, and recorded in Seminole County Official Records Book 7782 at page 685 *et seq*, page 1 of which is attached and incorporated as Exhibit A, and to renew coverage for the Amphitheater and to place coverage for the restrooms pursuant to the 2014-2015 Coverage Agreement, countersigned September 10, 2014, in the amount of Thirteen Thousand Seven Hundred Eighteen Dollars and No Cents (\$13,718), attached and incorporated as Exhibit B.

**THIS RESOLUTION** shall be effective immediately upon passage, *nunc pro tunc*, July 7, 2014.

**PASSED** in regular session this 22 January, 2015.

**CITY OF PANAMA CITY BEACH**

By:   
Gayle F. Oberst, Mayor

**ATTEST:**

  
Holly White, City Clerk

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

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

**WITNESSETH:**

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

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

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

**WHEREAS**, Section 163.01, Florida Statutes, commonly known as the "Florida Interlocal Cooperation Act of 1969", provides that Local Governmental Entities may enter into interlocal agreements in order to make the most efficient use of their powers by enabling them to cooperate with other Local Governmental Entities on a basis of mutual advantage, thereby providing services

Ex. "A" <sup>1</sup>

**CERTIFIED COPY**  
**MARYANNE MORSE**  
**CLERK OF CIRCUIT COURT**  
**SEMINOLE COUNTY, FLORIDA**  
BY *J. K. [Signature]*  
DEPUTY CLERK  
**JUN 15 2012**

MARYANNE MORSE, CLERK OF CIRCUIT COURT SEMINOLE COUNTY, CFN 2012070248 BK 07792 Pgs 0685 - 706; (22pgs) RECD 06/15/2012 09:53:18 AM  
REC FEES 189.50, RECD BY J Eckenroth(sll)

- Ann Farneser  
Public Risk Underwriters, P.O. Box 95 8455, Lakeland, FL 34002



Public  
Risk  
Underwriters of Florida

*Insurance Solutions for Public Entities*

## Public Risk Underwriters of Florida, Inc.

P O Box 958455, Lake Mary, FL 32795  
321-832-1450

**Acentria Inc.**

**PR FL1 0032017 13-02**

**City of Panama City Beach**

**09/10/2014**

Public Risk Underwriters of Florida, Inc. is pleased to provide you with the **Coverage Agreement** for City of Panama City Beach. Please review the document for accuracy and advise if you have any corrections or need further information.

As a reminder, you do not have any binding authority and any changes must be requested in writing. No coverage or change in coverage is bound without written confirmation from a representative of Public Risk Underwriters of Florida, Inc. This Coverage Agreement replaces and supersedes any previously issued Coverage confirmation.

Certificates of Insurance for the Preferred program may only be issued via the web-based E-tools on the PRU Website. The web address is [www.publicrisk.com](http://www.publicrisk.com). Certificates may not be used to request changes of coverage. The retail agent is solely responsible for any information listed in the description section of the certificates. If you need assistance logging into E-tools please contact your underwriter for support.

We appreciate the opportunity to offer this coverage to your client and if you have any questions or need further assistance please feel free to contact us.

***THIS PAGE IS FOR INFORMATIONAL PURPOSES ONLY  
AND IS NOT PART OF THE COVERAGE AGREEMENT***

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EX. 13"



**PUBLIC ENTITY**

**COMMON AGREEMENT DECLARATIONS**

Administered By:  
Public Risk Underwriters of Florida ®  
P.O. Box 958455  
Lake Mary, FL 32795-8455

TRUST:  
Preferred Governmental Insurance Trust  
P.O. Box 958455  
Lake Mary, FL 32795-8455

**Agreement Number:** PR FL1 0032017 13-02

**NAMED COVERED PARTY AND MAILING ADDRESS:**

City of Panama City Beach  
110 S Arnold Rd.  
Panama City Beach, FL 32413-2199

**AGENT NAME AND ADDRESS:**

Acentria Inc.  
4634 Gulfstarr Drive  
Destin, FL 32541

**AGREEMENT PERIOD:** From:07/08/2014 To: 07/08/2015  
At 12:01 a.m. Eastern Standard Time at your mailing address shown above.

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

This agreement consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

COVERAGE PART	ANNUAL PREMIUM
Property and Inland Marine Coverage	Included
General Liability Coverage	Not Included
Law Enforcement Coverage	Not Included
School Leaders' and Employment Practices Liability Coverage	Not Included
Automobile Coverage	Not Included
Garage Keepers Coverage	Not Included
Public Officials and Employment Practices Liability Coverage	Not Included
Crime Coverage	Not Included
Excess Workers' Compensation Coverage	Not Included

TOTAL ANNUAL PREMIUM \$13,718

FORMS APPLICABLE TO ALL COVERAGE PARTS:  
See PGIT MN-002

THESE DECLARATIONS TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PARTS SUPPLEMENTAL DECLARATIONS, FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED AGREEMENT.

COUNTERSIGNED 09/10/2014  
PGIT MN-001 (10 13) DATE

by William Zimm  
AUTHORIZED REPRESENTATIVE



## PUBLIC ENTITY

### COVERAGE AGREEMENT FORMS LIST

COVERED PARTY: City of Panama City Beach

AGREEMENT NO.: PR FL1 0032017 13-02

Form Name	Form Number
Public Entity Property - Property Schedule	
Public Entity Common Agreement Declarations	PGIT MN-001 (10 13)
Public Entity Coverage Agreement Forms List	PGIT MN-002 (10 13)
Public Entity Property and Inland Marine Coverage Part Declarations	PGIT MN-010 (10 13)
Public Entity Common Agreement Conditions	PGIT MN-090 (10 13)
Public Entity Property - Property and Inland Marine Coverage Form	PGIT MN-104 (10 14)
Public Entity Property - Stated Value	PGIT MN-105 (10 13)
Public Entity Property - Flood Coverage	PGIT MN-107 (10 13)
Public Entity Property - Earth Movement Coverage	PGIT MN-109 (10 13)
Public Entity Property - Schedule of Deductibles	PGIT MN-122 (10 13)
Public Entity Auto, General Liability & Property - Automatic Additional Covered Parties	PGIT MN-902 (10 13)

PGIT MN-002 (10 13)



## PUBLIC ENTITY

### COMMON AGREEMENT CONDITIONS

All Coverage Forms and general endorsements included in this Coverage Agreement are subject to the following conditions:

#### A. CANCELLATION

1. The first named Covered Party shown in the Declarations may cancel this Coverage Agreement by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Coverage Agreement by mailing or delivering to the first named Covered Party written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first named Covered Party's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The Coverage Agreement period will end on that date.
5. If this Coverage Agreement is cancelled, we will send the first named Covered Party any premium refund due. If we cancel, the refund will be pro rata, subject to H. Minimum Earned Premium. If the first named Covered Party cancels, the refund may be less than pro rata, subject to H. Minimum Earned Premium.  
The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. Failure of the Covered Party to make timely payment of premium shall be considered a request by the Covered Party for the Trust to cancel on the Covered Party's behalf. In the event of such cancellation for non-payment of premium, the minimum earned premium shall be due and payable; provided, however, such cancellation shall be rescinded if the Covered Party remits and the Trust receives the full premium within 10 days after the date of issuance of the cancellation notice.

#### B. CHANGES

This Coverage Agreement contains all the agreements between you and us concerning the coverage afforded. The first named Covered Party shown in the Declarations is authorized to make changes in the terms of this Coverage Agreement with our consent.

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

#### C. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this Coverage Agreement.

#### D. COORDINATION OF COVERAGES

In the event a single claim or suit triggers coverage under more than one coverage part, the most we will pay is the greater of the applicable limit or sublimit from either coverage part, subject to that coverage part's deductible or Self Insured Retention.

#### E. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this Coverage Agreement at any time during the Coverage Agreement period and up to three years afterward.

#### F. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### **G. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Agreement without additional premium within 45 days prior to or during the coverage period, the broadened coverage will immediately apply to this Coverage Agreement.

#### **H. MINIMUM EARNED PREMIUM**

In the event of cancellation of this Coverage Agreement or any individual line of coverage within this Coverage Agreement by the Covered Party, a minimum premium of 25% of written premium for the Coverage Agreement or for the individual line of coverage therein shall become earned, subject to any provision of the Coverage Agreement to the contrary notwithstanding.

#### **I. OTHER COVERAGE OR INSURANCE**

You may have other coverage or insurance subject to the same plan, terms, conditions and provisions as the coverage under this Coverage Agreement. If you do, we will pay our share of the covered loss or damage. Our share is the lesser of:

1. The proportion that the Limit of Coverage of our Coverage Agreement bears to the total of the limits of all the Coverage Agreements and policies covering on the same basis; or
2. The amount retained by Preferred Governmental Insurance Trust when Preferred Governmental Insurance Trust is a named insured on reinsurance or excess of loss coverage purchased on behalf of its members; or

Additionally, in the event an occurrence exhausts a limit purchased by Preferred Governmental Insurance Trust on behalf of multiple members, payment to you for a covered loss will be reduced pro-rata based on the amounts of covered loss by member.

The administrator for Preferred Governmental Insurance Trust will retain reinsurance or excess of loss coverage policies purchased on behalf of its members

#### **J. PREMIUMS**

The first named Covered Party shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

#### **K. SUBROGATION**

1. In the event of any payment under this Coverage Agreement, we shall be subrogated to all of your rights of recovery therefore against any person or organization, and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.
2. You shall not act (or fail to act, as the case may be) in any manner that will prejudice our subrogation rights.

#### **L. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS COVERAGE AGREEMENT**

Your rights and duties under this Coverage Agreement may not be transferred without our written consent.

- M.** The Trust shall have the right and duty to defend any covered claim brought against the Covered Party even if such claim is groundless, false or fraudulent. The Covered Party shall not admit or assume liability or settle or negotiate to settle any claim or incur any claims expenses without the prior written consent of the Trust, and the Trust has the right to appoint counsel and to make such investigation and defense of a covered claim as it deems necessary.



**PUBLIC ENTITY**

**PROPERTY AND INLAND MARINE  
COVERAGE PART DECLARATIONS**

COVERED PARTY: City of Panama City Beach

AGREEMENT NO.: PR FL1 0032017 13-02

**SCHEDULE OF COVERAGES AND LIMITS OF COVERAGE**

<b><u>Deductibles</u></b>	
	5% TIV Per Occurrence/Per Location for "Named Storm" subject to minimum of \$35,000 Per Occurrence
	\$25,000 Per Occurrence - All other Perils - Buildings & Contents and Extensions of Coverage
	Per Attached Schedule Inland Marine

<b><u>Covered Property</u></b>	
Total Insured Values - Blanket Building and Contents - Per Schedule on file totaling	\$1,451,291
Loss of Business Income	\$0
Additional Expense	\$0
<b><u>Inland Marine</u></b>	
Communication Equipment	\$0
Contractor's / Mobile Equipment	\$0
Electronic Data Processing Equipment	\$0
Emergency Services Portable Equipment	\$0
Fine Arts	\$0
Other Inland Marine	\$0
Rented, Borrowed, Leased Equipment	\$0
Valuable Papers	\$0
Watercraft	\$0

If marked with an "X" we will cover the following EXTENSIONS OF COVERAGE on form PGIT MN-104. These limits of liability do not increase any other applicable limit of liability.

(X)	Code	Extensions of Coverage	Limit of Liability
X	A	Accounts Receivable	\$250,000 in any one occurrence
X	B	Animals	\$1,000 any one Animal \$5,000 Annual Aggregate in any one agreement period
X	C	Buildings Under Construction	If shown on Property Schedule
X	D	Debris Removal Expense	\$250,000 in any one occurrence
X	E	Demolition Cost, Operation of Building Laws and Increased Construction Cost	\$500,000 in any one occurrence
X	F	Duty to Defend	Included
X	G	Errors and Omissions	\$250,000 in any one occurrence
X	H	Expediting Expenses	\$5,000.00 in any one occurrence
X	I	Fire Department Charges	\$25,000 in any one occurrence
X	J	Fungus Cleanup Expense	\$10,000 in any one occurrence \$20,000 Annual Aggregate in any one agreement period
X	K	Lawns, Plants, Trees and Shrubs	\$25,000 in any one occurrence
	L	Leasehold Interest	\$0 in any one occurrence



X	N	New Locations	\$2,000,000 in any one occurrence for up to 60 days from the date such new location(s) is first purchased, rented or occupied, whichever is earlier
X	O	Personal Property of Employees	\$25,000 for any one employee \$50,000 in any one occurrence
X	P	Pollution Cleanup Expense	\$25,000 in any one occurrence \$50,000 Annual Aggregate in any one agreement period
X	Q	Professional Fees	\$10,000 in any one occurrence
X	R	Recertification	\$10,000 in any one occurrence
X	S	Service Interruption Coverage	\$100,000 in any one occurrence
X	T	Transit	\$250,000 in any one occurrence
	U	Vehicle Property Coverage	\$0 in any one occurrence
X	V	Preservation of Property Coverage	\$250,000 in any one occurrence

### Special Property Coverages

<u>Coverage</u>	<u>Deductibles</u>	<u>Limit</u>
Earth Movement	\$25,000	\$1,000,000
Flood	\$25,000 except for Zones A & V	\$1,000,000
TRIA		Not Included

### Equipment Breakdown (Boiler & Machinery)

<u>Coverage</u>	<u>Limit</u>
Property Damage / Loss of Business Income / Additional Expense per accident	Not Included
Water Damage	Not Included
Ammonia Contamination	Not Included
Hazardous Substance Coverage	Not Included
Utility Interruption - (24 hour waiting period)	Not Included
Spoilage Damage	Not Included
Ordinance or Law	Not Included
Expediting Expenses	Not Included
 <u>Deductible</u>	 <u>Amount</u>
Equipment Breakdown	Not Included

**FORMS AND ENDORSEMENTS**

Forms and endorsements applying to this Coverage Parts and made part of the coverage agreement at this time of issue:

See PGIT MN-002

Premium: \$ INCLUDED

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON AGREEMENT DECLARATIONS, TOGETHER WITH THE COMMON AGREEMENT CONDITIONS, COVERAGE PARTS, FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED AGREEMENT.



## PUBLIC ENTITY PROPERTY

PUBLIC ENTITY

### PROPERTY AND INLAND MARINE COVERAGE

Various provisions in this Coverage Agreement restrict coverage. Read the entire Coverage Agreement carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Agreement the words **you** and **yours** refers to the Named Covered Party shown in the Declarations. The words **we**, **us** and **ours** refers to the Trust providing this Coverage Agreement.

#### SECTION I - COVERAGE AGREEMENTS

##### A. Coverage Agreement

**We** will pay, subject to all the terms and conditions of this Coverage Agreement, for direct physical loss to **covered property** as a result of an **occurrence**, unless excluded.

This Coverage Agreement will also include any endorsements added by agreement between **you** and **us**. Coverage is provided at those locations and for those coverages and **limits of liability** shown on the **Schedule of the DECLARATIONS**. Extensions of coverage, sublimits of liability and deductibles are listed in the **DECLARATIONS**. Endorsements may contain separate deductibles and limits or sublimits of liability.

Terms in **bold-faced type** have special meanings in this Coverage Agreement. They are defined in **DEFINITIONS**. These definitions apply to this entire Coverage Agreement, and to any endorsements to it. Definitions that apply to individual forms or endorsements will be noted in those forms or endorsements. The names of forms are capitalized (for example, **DECLARATIONS**).

##### B. Coverages

**We** will provide the following coverages if they are marked with an "X". Coverages will be provided in accordance with the terms and conditions of this Coverage Agreement. Terms that apply only to individual coverage forms will be set forth in those forms. This Coverage Agreement provides coverage on an **actual cash value** basis for **Real Property, Inland Marine** and **Personal Property** unless **replacement cost** coverage is marked with an "X".

(X) **Real Property**

(X) **Replacement Cost**

(X) **Personal Property**

(X) **Replacement Cost**

(X) **Inland Marine**

( ) **Replacement Cost**

(X) **Loss of Business Income**, up to the limit shown in the **DECLARATIONS**

(X) **Additional Expense**, up to the limit shown in the **DECLARATIONS**

##### C. Limits of Liability

Subject to all terms and conditions of the coverage agreement the most **we** will pay for all loss, damage or costs to **Real Property** and **Personal Property** in any one **occurrence** is the applicable limits of liability shown in the property declaration. The blanket limit of coverage shown in the property declaration applies to all **Real Property** and **Personal Property**. It is agreed that any location listed on the **Schedule of DECLARATIONS** with no value (\$0) is not covered by the property coverage agreement.

#### SECTION II - COVERAGES

A. **We** will pay for **covered loss to your real property, inland marine or personal property** only if marked with an "X" in **Section I B. Coverages**:

1. At the locations shown on the **Schedule of the DECLARATIONS**,
2. **Property in the open** within 1,000 feet of locations described in 1;
3. With respects to Inland Marine, at or away from **your covered location**.

**B. We will pay, only when marked with an "X" in Section I B. Coverages, and if a limit is shown in the DECLARATIONS, for:**

**1. Your Loss of Business Income**

- a. We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by:**
- (1) direct physical loss or damage to property at premises which are described in the DECLARATIONS; or
  - (2) action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises but within one statute mile thereof, beginning 72 hours after the time of that action, and for a period not to exceed fourteen (14) consecutive days from the date of the action.
- and for which a **Business Income** Limit of Coverage is shown in the DECLARATIONS. The loss or damage must be caused by or result from a **peril insured against**.
- b. With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:**
- (1) The portion of the building which you rent, lease or occupy; and
  - (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- c. In determining the actual loss of business income, consideration must be given to:**
- (1) The experience of the business before the loss and the probable experience after the loss;
  - (2) The continuation of only those normal charges and expenses that would have been incurred had no interruption of production or suspension of business operations or services happened;
  - (3) The demonstration of an actual loss of sales or income; and
  - (4) Any amount recovered under property damage coverages at selling price for loss or damage to merchandise will be considered to have been sold to your regular customers.
- d. We will not pay unless you are wholly or partially prevented from:**
- (1) producing goods; or
  - (2) continuing business operations or services.
- e. You are required to mitigate your loss by:**
- (1) Making up lost production within a reasonable period of time not limited to the **period of restoration**.
  - (2) Continuing business operations or services during the **period of restoration**.
  - (3) Using any property or service:
    - (i) owned or controlled by you; or
    - (ii) obtainable from any other sources.
  - (4) Working extra time or overtime.
  - (5) Using inventory.
- We will not pay for any loss to the extent it can be reduced through these or any other means whether at a covered location or any other location.**
- f. We will not pay for:**
- (1) Any loss during any idle period. Idle period includes but is not limited to any period when production, operation or service would cease or be prevented due to:
    - (i) physical damage not covered under this Coverage Agreement on or away from the **covered location**;

- (ii) planned or rescheduled shutdown or maintenance;
- (iii) strikes or other work stoppage;
- (iv) any reason other than a **covered loss**.

- (2) Any increase in loss due to:
  - (i) suspension, cancellation or lapse of any lease, contract, license or order.
  - (ii) fines or damage for breach of contract for late or non-completion of orders, or for penalties of any nature.
- (3) Any consequential, indirect or remote loss;
- (4) Any loss resulting from damage to:
  - (i) finished goods manufactured by **you**; nor for the time required for their reproduction.
  - (ii) property in transit.
- (5) Any loss or expense recoverable elsewhere in this Coverage Agreement.

g. The most **we** will pay for a loss under this coverage is the lesser of:

- (1) **Your actual loss of business income and necessary expense**; or
- (2) The applicable **limit of liability** shown on the **Schedule of the DECLARATIONS**.

## 2. Additional Expense

a. **We** will pay the actual and necessary Additional Expense you sustain due to:

- (1) direct physical loss or damage to property at premises which are described in the DECLARATIONS; or
- (2) action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises but within one statute mile thereof, for a period not to exceed fourteen (14) consecutive days from the date of the action.

and for which an **Additional Expense** Limit of Coverage is shown in the DECLARATIONS. The loss or damage must be caused by or result from a **peril insured against**.

b. With respect to the requirements set forth in the preceding paragraph, if **you** occupy only part of the site at which the described premises are located, **your** premises means:

- (1) The portion of the building which **you** rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

c. **We** will also pay **Additional Expense** to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

d. coverage for **Additional Expense** does not apply when action is taken to avoid or minimize a suspension of operations caused by destruction or corruption of electronic **data**, or any loss or damage to electronic **data**.

e. **We** will not pay for:

- (1) Loss of **Business Income**
- (2) Costs which would have been incurred in conducting **your** business during the same period had no **covered loss** happened.
- (3) The cost of permanent repair or replacement of property that has been damaged or destroyed.
- (4) Any loss during any idle period. Idle period includes but is not limited to any period when production, operation or service would cease or be prevented due to:
  - (i) physical damage not covered under this Coverage Agreement on or away from the **covered location**;
  - (ii) planned or rescheduled shutdown or maintenance;
  - (iii) strikes or other work stoppage;
  - (iv) any reason other than a **covered loss**.

(5) Any increase in loss due to:

- (i) suspension, cancellation or lapse of any lease, contract, license or order.
- (ii) fines or damage for breach of contract for late or non-completion of orders, or for penalties of any nature.

(6) Any consequential, indirect or remote loss;

(7) Any loss resulting from damage to:

- (i) finished goods manufactured by **you**; nor for the time required for their reproduction.
- (ii) property in transit.

(8) Any loss or expense recoverable elsewhere in this Coverage Agreement.

f. The most **we** will pay for a loss under this coverage is the lesser of:

(1) **Your actual Additional Expense**; or

(2) The applicable limit of liability shown on the **Schedule of the DECLARATIONS**.

### SECTION III - EXCLUSIONS

#### **A. War and Terrorism Exclusion**

Notwithstanding any provision to the contrary within this coverage or any endorsement thereto it is agreed that this coverage excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. Any act of terrorism. For the purpose of this Coverage Agreement, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group (s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This coverage also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to **1.** and/or **2.** above. If **we** allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Coverage Agreement the burden of proving the contrary shall be upon **you**.

#### **B. Biological or Chemical Materials Exclusion**

This coverage excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

#### **C. Electronic Data Exclusion**

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

1. This Coverage Agreement does not cover loss, damage, destruction, distortion, erasure, corruption or alteration of **electronic data** from any cause whatsoever (including but not limited to **computer virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this Exclusion **electronic data** means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

For the purpose of this Exclusion **computer virus** means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer virus** includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs.'

2. However, in the event that a peril listed below results from any of the matters described in paragraph 1. above, this Coverage Agreement, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Coverage Agreement period to property covered by this Coverage Agreement directly caused by such listed peril:

Listed Perils:

- a. Fire
- b. Explosion

D. Electronic Date Recognition Exclusion

This Coverage Agreement does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

1. the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Covered Party or not; or
2. any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Covered Party or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

E. Asbestos

1. This Coverage Agreement only covers asbestos physically incorporated in a covered building or structure, and then only that part of the asbestos which has been physically damaged during the period of coverage by a **specified peril**.

This coverage is subject to each of the following specific limitations:

- (a) The said building or structure must be covered under this Agreement for damage by that **specified peril**.
  - (b) The **specified peril** must be the immediate, sole cause of the damage of the asbestos.
  - (c) The covered party must report the existence and cost of the damage as soon as practicable after the **specified peril** first damaged the asbestos. However, this Agreement does not cover any such damage first reported more than 12 (twelve) months after the expiration, or termination, of the period of coverage.
  - (d) Coverage under this Agreement in respect of asbestos shall not include any sum relating to:
    - i. any faults in the design, manufacture or installation of the asbestos;
    - ii. asbestos not physically damaged by the **specified peril** including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.
2. Except as set forth in the foregoing Section 1, this Agreement does not cover asbestos or any sum relating thereto.

F. We will not pay for losses caused by or resulting from any of the following, regardless of any other cause or event, including a **peril insured against**, that contributes to the loss at the same time or in any other sequence.

1. Any electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical or electronic equipment caused by electrical currents artificially generated. If a fire or an explosion loss ensues, we will pay for that loss.

This exclusion will not apply to physical loss to:

- (a) **Data** or **software** caused by injury, disturbance, or erasure resulting from electricity or magnetic fields: or
  - (b) **Electronic data processing equipment** caused by short circuit, blowout, or other electrical damage from an **occurrence** that took place within 500 feet of the **covered location**.
2. **Earth movement**, whether sudden or gradual.
    - (a) But if a loss to **covered property** by fire, theft, or explosion ensues, we will pay for that loss.
    - (b) This exclusion does not apply to **covered property** in transit.
    - (c) This exclusion does not apply to **sinkhole collapse** or **volcanic activity**.

**3. Flood**

- (a) But if a loss to **covered property** by fire, theft, or explosion ensues, **we** will pay for that loss.
- (b) If covered electrical equipment requires drying out because of **flood**, **we** will pay for the direct expenses of such drying out.
- (c) This exclusion does not apply to **inland marine**, or to **covered property** in transit.

**4. Pollution**

**5. Demolition Cost, Operation of Building Laws and Increased Cost of Construction**

Enforcement of any ordinance or law regulating the use, construction, repair or demolition of buildings or structure including Debris Removal Expense.

**6. Seizure or destruction of covered property by government order.**

But **we** will pay for loss to **covered property** resulting from acts of destruction ordered by government to prevent the spread of fire.

**7. Nuclear reaction or nuclear radiation, or radioactive contamination;**

**8. Interference with or interruption of any public or private utility or any entity providing power, heat, air conditioning, communication, water or sewer or any other service, however caused, if the failure occurs away from the covered location.**

But if a **covered loss** ensues, **we** will pay for that loss.

**G. We will not pay for losses caused by or resulting from any of the following:**

- 1. Unexplained or mysterious disappearance of any property;
- 2. Shortage of property discovered on taking inventory;
- 3. Theft by employees, whether acting alone or with others;
- 4. Any criminal, fraudulent or dishonest acts committed alone or in collusion with others;
  - (a) by **you**;
  - (b) by any proprietor, partner, director, officer or employee of **yours**; or
  - (c) by any proprietor, partner, director or officer of any proprietorship, partnership, corporation or association engaged by **you** to render any service or perform any act in connection with **covered property**.

**5. Manufacturing or processing operations, which result in damage to stock or materials while the stock or materials are being processed, manufactured, worked on or tested.**

But if a **covered loss** ensues, **we** will pay for that loss.

**6. Delay, loss of market, loss of use, indirect or remote loss or damage;**

**7. Loss attributable to:**

- (a) Wear and tear, deterioration, depletion, erosion, rust, corrosion, wet or dry rot, decay;
- (b) Inherent vice, latent defect, or any quality in the **covered property** that causes it to damage or destroy itself;
- (c) Smog, acid rain, agricultural smudging;
- (d) Smoke, fumes, gas or vapor that result from industrial operations;
- (e) Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings, retaining walls or outdoor swimming pools;
- (f) Animals, birds, vermin, rodents or insects;
- (g) Change or extremes in temperature or humidity, except damage to equipment;
- (h) Contamination, shrinkage, change in taste, texture, finish or color.

But if a **covered loss** ensues, **we** will pay for that loss.

**8. Fungus**

**We** will not pay for loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mold, mildew, **fungus**, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- (a) any physical loss or damage to **covered property**;
- (b) any covered peril or cause, whether or not contributing concurrently or in any sequence;
- (c) any loss of use, occupancy, or functionality; or
- (d) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion does not apply to the extent that coverage is provided in Section VII Extensions of Coverage, **J. Fungus** Cleanup Expense with respect to loss or damage by a cause of loss other than fire or lightning.

9. Failure or breakdown of machinery or equipment, including rupture or bursting caused by centrifugal force.

But if a **covered loss** ensues, **we** will pay for that loss.

This exclusion will not apply to physical loss to:

**Data, electronic data processing equipment or software** caused by mechanical breakdown, failure, changes in arrangement of parts, errors, omissions, or lack in design, specification, material or workmanship.

10. Explosion of the following:

- (a) Steam boilers;
- (b) Steam turbines, steam engines, steam piping; or,
- (c) Gas turbines.

But if a loss to **covered property** by fire or explosion ensues, **we** will pay for that loss.

11. Rupture, bursting, cracking, burning or bulging of the following:

- (a) Steam boilers;
- (b) Steam turbines, steam engines, steam piping;
- (c) Hot water boilers or other equipment for heating water;
- (d) Pressure vessels; or,
- (e) Gas turbines.

But if a loss to **covered property** by fire or explosion ensues, **we** will pay for that loss.

12. Loss attributable to faulty, defective or inadequate:

- (a) Construction, workmanship or material;
- (b) Maintenance;
- (c) Design, plan or specification;
- (d) Zoning compliance;
- (e) Developing, surveying or siting of buildings or structures during the course of construction or alterations; or,
- (f) Compliance with building codes.

But if a **covered loss** ensues, **we** will pay for that loss.

13. Loss or damage to any structure located in the water; including but not limited to bulkheads, docks, piers, wharves, retaining walls, boardwalks or underwater conduit from:

- (a) Freezing and thawing;
- (b) Impact of watercraft;
- (c) Waves, or debris driven by waves;
- (d) Pressure or weight of ice or water, whether driven by wind or not; or
- (e) Sinking or settling.

14. **We** will not pay for any loss or damage directly or indirectly related to or arising out of any offshore oil well or oil shipping / tanker incident and the ensuing oil spill.

#### SECTION IV - PROPERTY NOT COVERED

**We** do not cover loss to:

- 1. Animals, water, land including land on which the property is located, shrubs, trees, lawns, growing crops, or standing timber, except to the extent these may be covered in PGIT MN-104, Section VII;
- 2. Aircraft;



3. Property **you** sold under conditional sale, trust agreement, installment payment, or other deferred payment plan after such property has been delivered to the customer;
4. Caves, caverns, mines of any type, or any property contained within them;
5. Currency, money, notes or securities;
6. Dams, dikes, or levees;
7. Contraband or property in the course of illegal transportation or trade;
8. Property covered under import or export ocean cargo policies;
9. Property **you** transport as a common carrier;
10. Property shipped by mail, unless sent registered or certified;
11. **Watercraft**, unless loss is from a **specified peril**.
12. Vehicles licensed or designed for highway use, unless shown on the Property Declaration, Extensions of Coverage item U, and then no coverage for any **over the road coverage**, or collision with another vehicle or object. The AOP deductible applies per occurrence and in the event of a Named Storm the Named Storm deductible applies per vehicle rather than per location. This coverage is paid at actual cash value at the time of loss.

## SECTION V - VALUATIONS

### A. Actual Cash Value

1. Loss to **covered property** will be valued at the time and place of the loss at **actual cash value** unless otherwise indicated in this Coverage Agreement.
2. On **Inland Marine**, items not individually itemized on the schedule will be subject to a maximum valuation of
  - (a) \$250,000 per item for **Rented, Borrowed or Leased Equipment**; or
  - (b) \$15,000 per item for all other classes of **Inland Marine**.
3. Loss to vehicles scheduled under Extensions of Coverage, U are valued at the time and place of the loss at **actual cash value**.

### B. Replacement Cost

1. Loss to **covered property** will be valued at **replacement cost**, computed at the time and place of the loss, if **replacement cost** is marked with an "X" in **Section 1.B**. Coverages unless otherwise indicated in this Coverage Agreement.
2. **We** will not pay **replacement cost** until the lost or damaged property is actually repaired or replaced. If repairs or replacement are not made within two (2) years after the date of the physical loss, **we** will pay only the **actual cash value**.
  - (a) **Our** obligations for **replacement cost** will be the smaller of:
    - (1) The cost to repair the damaged property; or
    - (2) The cost to replace or rebuild with new materials of like size, kind and quality; or
    - (3) The selling price on the date of loss of property, other than stock, offered for sale, less all saved expenses; or
    - (4) The applicable **limit of liability**.

**We** will not pay for any increase in cost due to **your** failure to use reasonable speed to repair, rebuild or replace the damaged property.

If the replacement occurs at another location, **we** will not pay for the cost of land at either the original or the new location.
  - (b) **We** will pay **replacement cost** for these types of property:
    - (1) Raw materials, supplies and other merchandise not manufactured by **you**; and
    - (2) Leasehold improvements in which you have an insurable interest.

(c) We will, however, pay only **actual cash value** or 110% of the value reported on the applicable schedule, whichever is less, for these types of property:

- (1) **Communications Equipment;**
- (2) **Contractor's /Mobile Equipment;**
- (3) **Fine Arts;**
- (4) **Watercraft;**
- (5) **Emergency Service Portable Equipment;**
- (6) **Other Inland Marine; or**
- (7) **Rented, Borrowed or Leased Equipment;**
- (8) **Vehicles scheduled under item U of the property extensions of coverage**

C. Loss to these types of **covered property** will be valued at the time and place of loss as follows:

1. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges;
2. On finished goods manufactured by **you**, the regular cash selling price at the location where the loss happens, less all discounts and charges to which the merchandise would have been subject had no loss occurred;
3. On **Valuable Papers**, in case of loss, valuation shall be based on the lesser of:
  - (a) The cost to repair or restore the valuable paper or record to the condition that existed immediately prior to the insured event; or
  - (b) The limit of liability shown in the DECLARATIONS, or
  - (c) If the damaged or destroyed property cannot be replaced, restored or repaired with similar kind and quality, it will be the value of blank paper, unless the item is specifically scheduled and value scheduled agreed upon in this Coverage Agreement.
4. On **media, data**, programs or any **software** stored on electronic, electromechanical, electromagnetic **data processing equipment** or production equipment, the cost to repair, replace or restore such to the condition that existed immediately prior to the loss or damage, including the cost of reproducing any **data**, programs or **software** contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$100,000 any one **occurrence**, incurred by **you** in recreating, gathering and assembling such **data**, programs or **software**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Coverage Agreement does not insure any amount pertaining to the value of such **data**, programs or **software** to **you** or any other party, even if such **data**, programs or **software** cannot be recreated, gathered or assembled.
5. On exposed film, the value of the blank film.

#### SECTION VI - CONDITIONS

**A. Coverage agreement Period and Territory. We will pay for a covered loss during the Coverage Agreement period shown on the DECLARATIONS while that property is:**

1. Within the State of Florida;
2. Being moved on land or in the air within the United States of America or ;
3. Being moved on inland waters and intercoastal waterways within the United States of America.

**B. Change of Terms**

The terms of this coverage will not be waived, changed, or modified except by written endorsement issued by us and which becomes a part of this Coverage Agreement.

**C. Titles of Paragraphs**

The titles of the paragraphs of this Coverage Agreement and of any endorsements attached to it are only for reference. They do not affect the terms to which they relate.

**D. Concealment, Misrepresentation or Fraud**

This Coverage Agreement is void in any case of fraud by you as it relates to this Coverage Agreement at any time. It is also void if you or any other Covered Parties, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Agreement;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Coverage Agreement.

**E. Brands and Labels**

In the event of a **covered loss** to branded or labeled merchandise, **we** may choose to take title to all or any part of that merchandise, at the value established by the terms of this Coverage Agreement. **You** may, at **your** expense:

1. Stamp "salvage" on the merchandise or its containers; or,
2. Remove or obliterate the brands or labels if such removal or obliteration will not physically damage the merchandise. **You** must relabel the merchandise or containers in compliance with the requirements of law.

**F. Breach of Condition**

A breach of any condition of this Coverage Agreement at any **covered location** will not affect coverage at any other **covered location** where, at the time of damage, no breach exists.

**G. Abandonment of Property**

**You** may not abandon property to **us**.

**H. No Benefit to Bailee**

No person or organization, other than **you**, having custody of **your covered property**, will benefit from this Coverage Agreement.

**I. Suit**

No suit or other legal proceeding will be brought against **us** unless there has been full compliance with all the Coverage Agreement terms and conditions. Suit must be brought within five years after the date on which the direct physical loss occurred or the shortest time permitted by law.

**J. No Reduction by Loss**

Except for those coverages written with an annual aggregate **limit of liability** or sublimits of liability, **we** will pay for a **covered loss** without reducing any other applicable **limit of liability** or sublimits of liability.

**K. Your duties after a Loss**

In case of loss **you** will:

1. Give **us** immediate written notice of the loss;
2. Give notice of such loss to the proper authorities if the loss may be due to a violation of the law;

3. As soon as possible, give **us** a description of the property involved and how, when and where the loss happened;
4. Take all reasonable steps to protect the **covered property** from further damage
5. Promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination;
6. Furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity and amount of loss claimed under the valuation provision of the Coverage Agreement;
7. Keep an accurate record of all repair costs;
8. Keep all bills, receipts and related documents that establish the amount of loss;
9. As often as may reasonably be required:
  - (a) Permit **us** to inspect the damaged property and take samples for inspection, testing and analysis.
  - (b) Produce for inspection and copying, all of **your** books of account, business records, bills and invoices.
  - (c) Permit **us** under oath to question **you** and any of **your** agents, employees, or representatives involved in the purchase of this coverage or the preparation of **your** claim, and verify **your** answers with a signed acknowledgment.
10. Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing:
  - (a) a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:
    - (1) The time and cause of the loss;
    - (2) **Your** interest and the interest of all others in the property involved;
    - (3) Any other policies of insurance that may provide coverage for the loss;
    - (4) Any changes in title or occupancy of the property during the **coverage agreement period** and;
    - (5) The amount of **your** claimed loss.
  - (b) **You** shall also submit with the Proof of Loss:
    - (1) The inventory referred to in **K.6**.
    - (2) The records specified in **K.7**, and **K.8**;
    - (3) Specifications for any damaged buildings and;
    - (4) Detailed estimates for the repair of any damages.
11. Cooperate with **us** in the investigation and adjustment of the loss.

#### L. Appraisal

1. If **you** fail to agree with **us** on the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within thirty (30) days of the written demand for appraisal.
2. The two appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a court of record in the state where the **covered loss** happened, to select an umpire.
3. The appraisers will then set the amount of the loss. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will set the amount of loss.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.

#### M. Our Options

At **our** option, **we** will repair, rebuild or replace damaged **covered property** with other property of like kind and quality within a reasonable period of time. If **we** elect to repair or replace the **covered property**; **we** will notify **you** of that decision within sixty (60) days of **our** receipt of **your** proof of loss. **We** will, at **our** option, take title to all or any part of the damaged or destroyed property at the agreed or appraised value.

#### N. Right to Adjust with Owner

1. **Covered losses** will be adjusted with **you** except as provided in Condition S. Mortgage Holders.
2. If a claim is made for damage to **covered property** of others that **you** hold **we** will have the right to adjust that loss or damage with the owners of that property. **Our** payment to the owners will fully satisfy any claim of **yours** for damage to that property.

#### O. Collection from Others

Payment to **you** for a **covered loss** will be reduced to the extent **you** have collected that loss from others.

#### P. Payment of Loss

**We** will pay the **covered loss** within thirty (30) days after **we** receive and accept the signed, sworn Proof of Loss, if:

1. **You** have complied with all the terms of this Coverage Agreement;
2. **We** have reached agreement with **you** on the amount of **covered loss**, or
3. An appraisal award is made as provided for in Condition L. Appraisal.

#### Q. Recovered Property

If either **you** or **we** recover any **covered property** after **we** have paid for its loss, that party must give the other prompt written notice of the recovery. If **we** recover the **covered property**, **we** will return it to **you**, if **you** so request. **You** must then return the amount **we** paid to **you** for it.

If **you** recover the **covered property**, **you** may either keep it or surrender it to **us**. If **you** choose to keep it, **you** must return the amount **we** paid to **you** for it.

#### R. Pair, Set or Parts

In the event of a **covered loss** to an article that is part of a pair or set, **our** payment for that loss will be:

1. The cost to repair or replace any part to restore the pair or set to its value before the **covered loss**; or
2. The difference between the value of the pair or set before and after the **covered loss**.

In no event will the loss of part of a pair or set be regarded as a total loss of the pair or set.

When **covered property** consists of several parts, **we** will pay only for the lost or damaged part.

#### S. Mortgage Holders

1. **We** will pay for **covered loss** to buildings or structures to each mortgage holder shown on the Schedule of Mortgage Holders or Loss Payees, as their interests may appear.
2. A mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
3. If **we** deny **your** claim because of **your** acts or because **you** have failed to comply with the terms of this Coverage Agreement, the mortgage holder will still have the right to receive loss payment, up to the amount of their insurable interest, but in no event more than the applicable **limit of liability**, if the mortgage holder:
  - (a) Pays any premium due under this Coverage Agreement at **our** request;
  - (b) Submits a signed, sworn proof of loss within sixty (60) days after receiving notice from **us** of **your** failure to do so; and,
  - (c) Has notified **us** of any change in ownership, occupancy, or substantial change in risk known to the mortgage holder.

All terms and conditions of this Coverage Agreement will then apply directly to the mortgage holder.

4. If **we** pay the mortgage holder for any **covered loss** and deny payment to **you** because **you** have failed to comply with the terms of this Coverage Agreement:
  - (a) The mortgage holder's rights under the mortgage will be transferred to **us** to the extent of the amount **we** pay; and
  - (b) The mortgage holder's right to recover the full amount of the mortgage claim will not be impaired. In the event of a **covered loss**, **we** will, at **our** option, pay the mortgage holder the whole principal of **your** mortgage plus any accrued interest. In that event, **your** mortgage and note will be transferred to **us**, and **you** will pay **your** remaining mortgage debt to **us**.
5. If **we** cancel or non-renew this Coverage Agreement, **we** will give the mortgage holder the same notice **we** give to **you**.
6. The term "mortgage holder" includes trustees.

#### T. Loss Payee

In the event of a **covered loss** to property in which both **you** and a loss payee have an insurable interest, **we** will:

1. Adjust the **covered loss** with **you**; and,
2. Make payment for the **covered loss** to **you** and the loss payee jointly, as their interests may appear.

#### U. Inspection

1. During the period of this Coverage Agreement, **we** will be permitted, but not obligated, to inspect the **covered property**. Neither **our** right to make inspections, nor making them, nor any report of them, will imply for **you** or others, nor constitute an undertaking, that the **covered property** is safe, healthful, or in compliance with laws, regulations, codes or standards.
2. This condition does not apply to any inspections, surveys, reports or recommendations **we** may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.  
**We** will have no liability to **you** or others because of any inspection or failure to inspect.

### SECTION VII - EXTENSIONS OF COVERAGE

If marked with an "X" in the DECLARATIONS, we will not pay more than our proportion of the applicable limit of liability shown on the Property and Inland Marine Coverage Part Declaration for the following EXTENSIONS OF COVERAGE:

Subject to all terms and conditions of this agreement, the coverage provided by this agreement is extended to apply to a **covered loss** as follows:

#### A. Accounts Receivable

1. **We** will pay the following expenses directly resulting from a **covered loss** to **your** records of accounts receivable at a **covered location**:
  - (a) Amounts due **you** from customers that **you** are unable to collect;
  - (b) Interest charges on any loan to offset amounts **you** are unable to collect, pending **our** payment of those amounts;
  - (c) Collection expense above **your** normal collection expense; and,
  - (d) Reasonable expenses **you** incur to re-establish **your** records of accounts receivable.
2. Amount of Loss
  - (a) If **you** are unable to accurately determine the amount of outstanding accounts receivable at the time of loss, **our** payment will be calculated in the following manner:
    - (1) Your average monthly accounts receivable amount, based on the twelve (12) months preceding the loss, adjusted for normal fluctuations in the month in which the loss occurs, or for any demonstrated variance for that month.

(b) The following will be deducted from the total amount of accounts receivable, regardless of the method used to determine that amount:

- (1) Balances for accounts not damaged or affected by the loss;
- (2) Amounts of accounts **you** are able to re-establish and collect;
- (3) An allowance for bad debts **you** are not normally able to collect.
- (4) All unearned interest and service charges.

3. For the purposes of this extension, the following additional exclusions apply and **we** will not pay for:

- (a) Any loss that requires an audit or inventory to establish its existence;
- (b) Any fraudulent, dishonest or criminal act done by:
  - (1) Anyone entrusted with the **covered property**, including their employees and agents; or
  - (2) Anyone having an interest in the **covered property**.

This exclusion does not apply to the acts of a carrier for hire;

- (c) Bookkeeping, accounting, or billing errors or omissions;
- (d) Wrongful alteration, falsification, manipulation, concealment, destruction, or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, getting, or withholding of money, securities, or other property; or
- (e) Taxes or Bond revenue.

4. For the purposes of this extension, the following additional conditions apply:

- (a) When **you** are not open for business, or when **you** are not actually using them, all records of accounts receivable are to be kept in appropriate, fire-resistant receptacles.
  - (b) When records of accounts receivable have been damaged or destroyed, **you** must use all reasonable efforts, including legal action if necessary, to obtain collection of any outstanding accounts receivable, and **we** will pay such costs and expenses of obtaining collection to the extent they reduce **your** loss.
  - (c) When records of accounts receivable have been damaged or destroyed, **you** will use any property or service owned or controlled by **you** or obtainable from other sources in order to reduce **your** loss.

## B. Animals

We will pay for all owned animals killed in a **covered loss** at a **covered location**. We will also pay for the in-line of duty death of a certified police canine or horse owned by you.

Your deductible for this extension is the lower of \$500 or the amount shown in the Declarations.

No veterinary costs are included in this extension.

## C. Buildings Under Construction

We will pay for any one **occurrence** for insured physical loss or damage to your buildings that are under construction. Your schedule must indicate any ongoing or intended construction projects .

Buildings Under Construction include:

1. New buildings being erected at a **covered location**;
2. Additions to any buildings already covered under this agreement; or
3. Renovations to any buildings included in the schedule.
4. New buildings being erected at sites other than a **covered location**, subject to final contract value any one construction project limit of \$25,000,000.

**D. Debris Removal Expense:**

1. **We** will pay for the expense to remove the debris from a **covered loss** at a **covered location**. **We** will only pay these expenses if **we** receive immediate written notice of the **covered loss** and if these expenses are reported to **us** in writing within one hundred and eighty (180) days of the date of the **covered loss** or the end of the **coverage agreement period**, whichever is earlier.
2. **We** will pay for expenses to remove from **covered locations** storm blown debris of property not covered by this Coverage Agreement, excluding trees, timber, shrubs, or landscaping originating from your location(s).
3. Debris removal expense does not include any costs to clean up or remove:
  - (a) **pollutants**;
  - (b) asbestos; or
  - (c) debris in or on easements, right-of-ways, streets, roads, water or beaches that are not **covered locations**.

**E. Demolition Cost, Operation of Building Laws and Increased Construction Cost:**

1. In the event of a **covered loss**, **we** will pay:

(a) Demolition Cost:

The cost incurred to demolish all or part of **your covered Real Property**, including the cost to clear the site, if any law or ordinance that exists at the time of loss requires such demolition.

(b) Operation of Building Laws:

The cost **you** incur to rebuild at the same location any undamaged part of **your Real Property**, which is required by law to be demolished after a **covered loss**. **We** will only pay the costs to satisfy the minimum requirements of the applicable law or ordinance that exist at the time of the loss.

(c) Increased Construction Cost:

The increased cost **you** incur for materials and labor required to rebuild the damaged portion of **your Real Property** at the same location and in a manner that satisfies the minimum requirements of the applicable law or ordinance existing at the time of the loss.

(d) **We** will not pay for any:

(1) Of these costs unless they are incurred within two (2) years from the date of loss.

(2) Loss due to any law or ordinance that:

- i. **You** were required to comply with before the loss, even if the building was undamaged; and
- ii. **You** failed to comply with.

(3) Cost of demolition, abatement, removal, cleanup, debris removal, repair, monitoring or testing, increased cost of repair or other cost resulting from enforcement of any such law or ordinance which relates to **pollution**.

**F. Duty to Defend**

**We** will defend that part of any suit against **you** involving personal property of others when all of the following conditions exist:

1. The suit seeks payment for physical loss or damage to the **personal property** of others; and
2. The physical loss or damage is caused by a **peril insured against**; and
3. The physical loss or damage takes place while the **personal property** of others is in your custody; and
4. The personal property of others is the type of property covered by this **Coverage Agreement**.

**We** will do so even if such suit is groundless, false or fraudulent, but **we** may, without prejudice, make such investigation, negotiation and settlement of any claim or suit, as **we** deem appropriate.



## G. Errors and Omissions

It is a material requirement of this agreement that the Covered Party accurately report the values of the property for which it seeks coverage at the locations within the Coverage Agreement territory where that property is located. Subject to this requirement, we will not preclude coverage for damage at a particular location where the Covered Party or its producer made an error or unintentional omission:

1. In the description or location of item(s) of property in the most recent **Schedule of DECLARATIONS** or documentation submitted to and accepted by **us**, provided that the item is the type covered under the Coverage Agreement and the error or omission is not greater than the limit set forth in the Declarations.
2. In the **Schedule of DECLARATIONS** so that the report omitted a location owned or occupied by the Named Covered Party at the inception date.

Any such error or unintentional omission shall be reported promptly on discovery and additional premium paid from Coverage Agreement inception. The limit shown in the Declarations is the maximum amount of indemnity for any occurrence. This coverage does not apply to inland marine, automobile or if coverage is found in whole or in part elsewhere in this agreement.

## H. Expediting Expenses:

1. We will pay, in the event of a **covered loss**, for the reasonable extra costs of temporary repair to **covered property** or of expediting the permanent repair or replacement of that property, whichever is less. These expenses include overtime wages and extra costs for rapid means of transportation.
2. We will not pay for temporary rental of property or temporary replacement of damaged property.

## I. Fire Department Charges:

We will pay charges **you** incur when an outside fire department is called to save or protect **covered property** from a **covered loss**.

## J. Fungus Cleanup Expense:

1. This limited coverage applies only when the **fungus**, wet or dry rot, or bacteria is the result of one or more of the following causes that occurs during the coverage agreement period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that **occurrence**, and only if any loss resulting from the following is reported to us within 60 days of the **occurrence**.
  - (a) A covered loss other than fire or lightning; or
  - (b) Flood, if the Flood Coverage endorsement PGIT MN-107 applies to the affected premises.
2. Under conditions described in 1. above, we will pay for loss or damage by **fungus**, wet or dry rot or bacteria. As used in this coverage, the term damage means:
  - (a) Direct physical loss or damage to covered property caused by **fungus**, wet or dry rot or bacteria, including the cost of removal of **fungus**, wet or dry rot or bacteria;
  - (b) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungus**, wet or dry rot or bacteria; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that **fungus**, wet or dry rot or bacteria are present.
3. Regardless of the number of claims, the limit shown in the Declarations is the most we will pay for the total of all loss or damage arising out of all occurrences which take place during the Coverage Agreement Period. We will not pay more than this amount even if the **fungus**, wet or dry rot or bacteria continues to be present or active, or recurs, in a later Coverage Agreement Period.
4. The coverage provided under this part does not extend the available coverage at a location beyond the amount scheduled for that location.
5. **Fungus** Cleanup expense does not include any costs to clean up or remove **pollutants**.
6. **Fungus** Cleanup expense will be considered part of the original occurrence, and no separate deductible will apply.

**K. Lawns, Plants, Trees or Shrubs:**

**We will pay for a covered loss to lawns, plants, trees and shrubs at a covered location from a specified peril, excluding loss or damage caused by freezing, disease, insects, animals, vermin or drought**

**We will not pay more than the lesser of the following:**

1. The applicable **limit of liability** shown on the Extension of Coverages Property part on the DECLARATIONS; or
2. The amount of the total value of the building and contents at that **covered location**.

**L. Leasehold Interest**

**We will pay for loss of covered leasehold interest you sustain due to the cancellation of your lease. The cancellation must result from a covered loss to a covered location. Covered leasehold interest means the following:**

The difference between:

1. the rent **you** pay at the described premises including taxes, insurance, janitorial or other service that **you** pay for as part of the rent; and
2. The rental value of the described premises that **you** lease.

The most we will pay for loss because of the cancellation of any one lease is your covered leasehold interest at the time of loss. Your covered leasehold interest decreases automatically each month. A proportionate share applies for any period of time less than a month.

**N. New Locations:**

**New Locations** are covered for coverages marked with an "X" in **Section I.B.** Coverages of PGIT MN-104 Property and Inland Marine Coverage Form and coverages provided by endorsement for the first sixty (60) days after the date of acquisition. During that period, the **covered party** shall submit to **us** a written report stating the location, occupancy, the full **replacement cost**, including Loss of Business Income and any other Time Element Values for the location, and other coverage in force at that location. If we do not receive and accept that report within sixty (60) days the coverage for that Location shall cease at the end of the coverage period stated above.

Property newly constructed by the **covered party** during the **coverage agreement period** does not qualify under this paragraph unless the construction project complied with the terms of Extension of Coverage Item C.

Upon notification to and acceptance by **us** any **New Location**, the same limits will apply as though the location had been acquired and disclosed prior to Coverage Agreement inception. **We** shall be permitted but not obligated to inspect the **New Location**. **We** shall be entitled to an additional premium payable from the date of acquisition.

**O. Personal Property of Employees:**

1. **We will pay for loss by a peril insured against to the Personal Property (other than automobiles) of your employees when such property is at a covered location or being used by the employee in the course of employment.**
2. **We will not pay for any loss to such property that occurs at the employee's residence.**

With respects to this extension, volunteers are not considered employees and there is no coverage for **Personal Property** of volunteers.

**P. Pollution Cleanup Expense:**

1. **We will pay to remove pollutants from covered property at a covered location if the pollution results from a specified peril.**
2. If **pollution** results from a **peril insured against**, we will pay:
  - (a) To remove **pollutants** from land, soil, surface or ground water upon, within, beneath or comprising a **covered location**; or,
  - (b) For testing performed in the course of extracting the **pollutants** from **covered locations**.

**We will pay for removal or testing after a covered loss that occurs during the coverage agreement period.**

We will only pay these expenses if we receive immediate written notice of the **covered loss** and if these expenses are reported to us in writing within one hundred and eighty (180) days of the date of the **covered loss** or the end of the **coverage agreement period**, whichever is earlier.

**Q. Professional Fees:**

1. We will pay for the reasonable costs you incur, for auditors and accountants who undertake to accurately determine the details of your business in order to determine the extent of a **covered loss**.
2. Professional fees do not include:
  - (a) any fees or expenses of attorneys;
  - (b) any fees or expenses of public adjusters or any of their subsidiaries or associated entities;
  - (c) fees based on a contingency; or
  - (d) the cost of your own employees.

**R. Recertification of Equipment**

We will pay the necessary costs or expenses you incur to recertify portable fire fighting, ambulance or rescue-related scheduled **inland marine** you own, when such equipment is damaged in a **covered loss**.

**S. Service Interruption Coverage**

In the event a cause of loss of the type covered hereunder directly causes damage to off-premises utility and power stations, substations, transformer or switching or pumping stations (including off-premises poles, towers, but excluding overhead transmission and distribution lines), we will pay for damage to **covered property** at a **covered location** directly resulting from interruption of electricity, steam, water, natural gas or refrigeration.

However, we will not pay for any direct physical loss due to any interruption of service from a satellite, regardless of cause.

**T. Transit**

We will pay for loss to your covered **personal property** or **inland marine** while in transit, including your covered **personal property** in the custody of messengers or salespeople

**U. Vehicles as Scheduled Property**

We will pay for loss to your vehicles, when damaged by a **covered loss**, regardless of the location. The Named Storm deductible from PGIT MN-122 applies per vehicle rather than per location.

**V. Preservation of Property**

In the event of any actual or imminent physical loss or physical damage of the type insured against by the Coverage Agreement, the cost or expenses incurred in taking reasonable and necessary measures for the temporary protection and/or preservation of property insured shall be added to the total physical loss and/or physical damage amount otherwise payable under the Coverage Agreement but without increasing the applicable limits or sublimits of liability stated in the Coverage Agreement. There must be an actual physical loss to the building or structure at the scheduled location in order for this coverage to apply.

## SECTION VIII - DEFINITIONS

- A. Accident** means a fortuitous event that causes direct physical damage to **covered equipment**. The event must be one of the following
1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  2. Artificially generated electric current, including electrical arcing, that damages electrical devices, appliances or wires;
  3. Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines;
  4. An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;
  5. An event inside hot water boilers or other heating equipment that damages such equipment; or
  6. Bursting, cracking or splitting.
- B. Actual cash value** means **replacement cost** less deduction for depreciation.
- C. Additional Expense** means necessary expenses **you** incur during the **period of restoration** that **you** would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:
1. Avoid or minimize the suspension of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
  2. Minimize the suspension of business if **you** cannot continue operations.
- D. Business income** means:
1. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and;
  2. Continuing normal operating expenses incurred, including payroll.
- E. Coverage agreement period** means the time during which coverage is provided by this Coverage Agreement.
- F. Covered Equipment** means the following unless specified otherwise in an endorsement to this Coverage Agreement:
1. Equipment at a **covered location** that generates, transmits or utilizes energy including electronic communications and **electronic data processing equipment**.
  2. Equipment at a **covered location** which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
- G. Covered location** means those locations shown on the **Schedule of the DECLARATIONS** or on the Schedule of any endorsement to this Coverage Agreement.
- H. Covered loss or loss** means a loss to **covered property** at a **covered location** resulting from a **peril insured against** by this Coverage Agreement.
- I. Covered property** means property covered by this Coverage Agreement.
- J. Data** means any information recorded on **media** and used in **your** processing operations.
- K. Earth movement**, whether natural or man-made, includes but is not limited to:
1. Earthquake;
  2. Landslide;
  3. Mudflow; or
  4. Sinking, rising or shifting of the earth.

L. **Effective Date** means the day and time at which the coverage provided by this Coverage Agreement begins.

M. **Flood** means: rising waters; waves; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom, surface waters or sewer back-up resulting from any of the foregoing; regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, the following are not considered to be loss by **Flood** within the terms and conditions of this Coverage Agreement:

1. physical damage by fire, explosion or sprinkler leakage resulting from **Flood**
2. physical damage by wind driven water and/or storm surge associated with or occurring in conjunction with a **Named Storm**

N. **Fungus** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

O. **Inland Marine** means scheduled:

1. **Communications Equipment** - your stationary or portable communications equipment while at your covered location or away from your covered location during authorized use.
2. **Contractor's/Mobile Equipment** - your stationary or portable machinery and tools while at your covered location or away from your covered location during authorized use.
3. **Electronic Data Processing Equipment** - your programmable electronic equipment that is used to store, retrieve and process data, as well as associated peripheral equipment that provides communication including input and output functions such as printing, or auxiliary functions such as data transmission.
4. **Emergency Service Portable Equipment** - your portable fire fighting, ambulance or rescue related equipment, excluding aircraft and watercraft.
5. **Fine Arts** - your art, sculptures, rarities, or antiquities, owned by you or in your care, custody and control.
6. **Other Inland Marine** - your outdoor radio or television antennas, streetlights, traffic control lights and signs, flagpoles, outdoor signs, markers, fire hydrants, parking meters, fences (excluding guardrails) and other portable equipment not otherwise classified.
7. **Rented, Borrowed or Leased Equipment** - items in your care, custody or control that you assume responsibility for through a formal arrangement.
8. **Valuable Papers** - your books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, or recording or storage media. We will pay for the cost of research, up to the scheduled limit, due to a loss of valuable papers caused by a covered cause of loss.
9. **Watercraft** - your owned scheduled vessels, not exceeding 25 feet in length, designed for operation in or on any waterway, for Specified Perils only, excluding collision with another object.

P. **Limits of liability** means the maximum amount we will pay for a covered loss.

Q. **Media** means the medium on which data or software is stored, such as: magnetic tape, perforated paper tape, punch cards, discs, drums, and other storage devices used in your electronic data processing equipment.

R. **Named Storm** means the direct action of wind, including wind driven water and storm surge when associated with or occurring in conjunction with a storm or weather disturbance which is named by the National Weather Bureau, National Hurricane Center or any other recognized meteorological authority. All **Named Storm** events that occur within a continuous seventy-two (72) hour period will be considered a single occurrence.

**S. Necessary expenses** means expenses in excess of normal operating expenses, **you** incur in reducing **your** loss of **business income**. **We** will not pay more than **we** would pay if **you** had been unable to make up lost production or continue operations or services.

**T. New locations** means:

1. **Real Property**, **you** purchase or rent including **Personal Property** at that location;
  2. **Real Property** **you** begin to build; or
  3. **Inland Marine** **you** purchase.
- after the **effective date** of this Coverage Agreement.

**U. Occurrence** means a sudden, identifiable, fortuitous event that result in a **covered loss** or series of events directly resulting from a **covered loss**.

**V. Over the road coverage** means while vehicle is being driven or is in the course of traveling from one location to another.

**W. Peril(s) insured against** means risk of direct physical loss or damage from any cause except as excluded within the Coverage Agreement.

**X. Period of restoration** means;

1. For buildings and equipment, the period of time which:
  - (a) starts at the time of a **covered loss** and,
  - (b) ends when using reasonable speed the building and equipment could be:
    - (1) repaired or replaced; and
    - (2) made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage.

  - (c) For buildings under construction:
    - (1) **We** will apply the time period defined in 1. above to the level of business that would have been reasonably achieved after construction and start-up would have been completed had no physical damage happened; and
    - (2) **We** will give consideration to the actual experience of the business after completion of the construction and start-up.
2. For stock in-process and mercantile stock, including finished goods not manufactured by **you**, the time required using reasonable speed:
  - (a) To restore stock in process to the same state of manufacture which existed at the beginning of the interruption of production or suspension of business operations or services; and
  - (b) To replace physically damaged mercantile stock.
3. For raw materials and supplies, the period of time:
  - (a) Of actual interruption of production or suspension of operation or services which resulted from **your** inability to get suitable replacement raw materials and supplies to replace similar ones damaged; but
  - (b) Limited to that period for which the damaged raw materials and supplies would have satisfied operating needs.
4. The time required using reasonable speed to copy physically damaged or exposed film, records, manuscripts and drawings from backup or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.
5. The time required using reasonable speed to restore the physically damaged or destroyed **data**, programs, or other **software** from backup. This time does not include research engineering or any other time necessary to restore or recreate lost information.

The period of restoration does not include any additional time due to **your** inability to resume operations for any reason, including but not limited to:

- (a) Making changes to equipment.
- (b) Making changes to the buildings, or structures, except as provided in the Demolition Cost, Operation of Building Laws and Increased Construction Cost provision if coverage is shown on form in Section VII Extensions of Coverage included in this Coverage Agreement.
- (c) Restaffing or retraining employees.
- (d) Any law or ordinance that requires testing, monitoring, clean up, removal, decontamination, treatment, detoxification or neutralization of, or any other response to **pollution or pollutants**.

The expiration of this Coverage Agreement will not terminate the period of restoration. The period of restoration will not exceed 24 months from the date of loss and will not be limited by the expiration of this Coverage Agreement

**Y. Personal property means:**

- 1. Personal Property **you** own;
  - 2. Improvements and betterments **you** have made in buildings **you** do not own;
  - 3. **Your** legal liability to the owner of Personal Property in **your** custody for physical damages to that property resulting from a **peril insured against** under this Coverage Agreement.
- Z. Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, fiber, smoke, vapor, soot, fumes, acids, alkalis, chemicals, biological, organic or bacterial agents and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed. However, **pollutants** does not include ammonia or asbestos.

**AA. Pollution** means the presence, discharge, dispersal, seepage, migration, release or escape of any **pollutants**.

**BB. Property in the open means:**

- 1. Fixtures, including outdoor fixtures
- 2. Permanently installed outdoor machinery and equipment
- 3. Outdoor furniture
- 4. Outdoor open air pavilions
- 5. Permanently installed outdoor recreational courts, nets, goals, bleachers, benches and playground equipment.
- 6. Property in the open does not include buildings, structures or real property within 1,000 feet of (1) property on the Schedule of the DECLARATIONS; or (2) shown on the statement of values that **you** provide **us**, the function of which is unrelated to or not incidental to the normal operation of (1) property on the Schedule of the DECLARATIONS; or (2) shown on the statement of values that **you** provide **us**.

**CC. Real Property** means buildings and any other structure, including:

- 1. Attached additions, extensions, permanent fitting or fixtures; and
- 2. Machinery and equipment used to service the buildings;
- 3. Yard fixtures.

**DD. Replacement cost** means the cost to replace **covered property**:

- 1. With new materials of like kind and quality and used for the same purpose; and

2. At the location where the loss happened.  
But **replacement cost** excludes any increased cost of repair or reconstruction by reason of any law or ordinance regulating construction, repair or use.

**EE. Schedule of the DECLARATIONS** is the schedule of values reported to and on file with **us**, or attached to this Agreement, and the limits and sub-limits shown in the DECLARATIONS.

**FF. Sinkhole collapse** means loss to **covered property** resulting from the sudden sinking or collapse of any land into naturally occurring underground empty spaces created by the action of water on limestone or similar rock formations. Coverage for **sinkhole collapse** does not include the cost of filling sinkholes.

**GG. Software** means programs stored on **media** that instruct **electronic data processing equipment** how to process **data**.

**HH. Specified perils** means direct physical loss or damage caused by or resulting from:

1. Fire;
2. Lightning;
3. Aircraft;
4. Explosion, except for **Watercraft** while in the water;
5. Riot;
6. Civil commotion;
7. Smoke;
8. Vehicles;
9. Windstorm or hail to property contained in any building;
10. Malicious mischief;
11. Leakage or accidental discharge from automatic fire protection system;
12. Collapse, except for **Watercraft** while in the water; or
13. Theft, except for **Watercraft** while in the water.

**II. Volcanic activity** means loss to **covered property** directly resulting from:

1. Airborne volcanic blast or shockwaves;
2. Ash, dust, or particulate matter all resulting from volcanic blast;
3. Lava flow.

All **volcanic activity** resulting from eruptions occurring within any 168 hour period will constitute a single occurrence.

**JJ. We, us and our(s)** means the Trust issuing this agreement, as shown on the DECLARATIONS.

**KK. Wind** means the direct action of the movement of air at any velocity including any substance driven by the movement of the air.

**LL. You and your(s)** mean the named covered party shown on the DECLARATIONS





## PUBLIC ENTITY PROPERTY

### STATED VALUE

**This endorsement changes the agreement. Please read it carefully**

In consideration of premium charged, coverage for Building and Contents as listed on the applicable property schedule is amended as follows:

PGIT MN-104, Section 1, item C is deleted entirely and replaced with:

Subject to all terms and conditions of the coverage agreement the most we will pay for all loss, damage or costs to **Real Property** and **Personal Property** in any one occurrence is the lesser of:

1. The cost to repair the damaged property; or
2. The cost to replace or rebuild with new materials of like size, kind and quality; or
3. The selling price on the date of loss of property, other than stock, offered for sale, less all saved expenses; or
4. The value reported on the applicable schedule of values. This value is subject to an 80% coinsurance clause (example below).

This endorsement memorializes the intention of the Covered Party to secure property coverage for a value less than the potential cost to rebuild or replace based on the appraisal on file.

Coinsurance example:

Amount of Loss: \$40,000

Building insured for: \$100,000

Replacement cost at time of loss: \$150,000

Coinsurance percentage: 80%

Minimum you should have insured for: \$120,000

Deductible: \$5,000

Step 1 -  $\$150,000 \times .80 = \$120,000$

Step 2 -  $\$100,000 / \$120,000 = .83$

Step 3 -  $\$40,000 \times .83 = \$33,200$

Step 4 -  $\$33,200 - \$5,000 = \$28,200$

In this example the Trust would pay \$28,200 of the \$40,000 loss.



**PUBLIC ENTITY  
FLOOD COVERAGE**

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

This endorsement modifies coverage provided under the **PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104:**

EXCLUSION F.3.

**A. We will pay for direct physical loss to covered property caused by flood.**

All **flood** losses within a continuous 72-hour period will be considered a single **occurrence**. The expiration of this agreement will not reduce this 72-hour period.

**B. Limit of Liability**

The following **limits of liability** do not increase any other applicable **limit of liability**.

1. The most **we** will pay for any one **occurrence** of **flood** loss in any one **coverage agreement period** within a state or at a Location shown on the Schedule of this endorsement will be our proportion of the limit of liability shown in the Schedule of this endorsement

State or location	Schedule	Limit of Liability
<b>FLORIDA</b>		<b>See DECLARATIONS</b>
<b>ALL OTHER STATES</b>		<b>No Coverage</b>

2. The most **we** will pay for all **flood** losses during any one **coverage agreement period** is \$75,000,000. This amount is the most we will pay for all aggregate claims for flood losses by all members of the trust. It is not a per member maximum.

**C. FLOOD DEDUCTIBLE**

\$25,000 any one occurrence except;

Property designated as being within **Flood Zone A** or **Flood Zone V** (and prefixes or suffixes thereof) by the Federal Emergency Management Agency (FEMA), or within a 100 Year Flood Plain as designated by the United States Army Corps of Engineers, will have a Special Flood Deductible equal to all flood insurance available for such property under the National Flood Insurance Program, whether purchased or not or 5% of the Total Insured Value at each affected location, whichever is greater. If such property is not eligible for the National Flood Insurance Program because the community in which the property is located does not participate in the National Flood Insurance Program, the Special Flood Deductible will be \$1,000,000 per insured location damaged in the flood occurrence or 5% of the Total Insured Value at each affected location whichever is greater.

In the event of a Flood both the Flood deductible and the Special Flood deductible apply, then the Flood deductible of \$25,000 any one occurrence will apply to locations not designated within **Flood Zones A and V** (and prefixes or suffixes thereof), and the Special Flood Deductible will apply to locations within **Flood Zones A and V** (and prefixes or suffixes thereof).

**D. ADDITIONAL DEFINITIONS**

**Flood Zone A**

Property will be determined to be within a Flood Zone A if it is within an area designated as such on a FEMA Flood Insurance Rate Map or a Flood Hazard Boundary Map. Flood Zone A will include, but not be limited to, all of the sub-classifications of AO, AH, AE, AR, A1 through A30 and A99, or any other sub-classification with the A prefix or designation.

**Flood Zone V**

Property will be determined to be within a Flood Zone V if it is within an area designated as such on a FEMA Flood Insurance Rate Map or a Flood Hazard Boundary Map. Flood Zone V will include, but not be limited to, all of the sub-classifications of VO, VH, VE, VR, V1 through V30 and V99, or any other sub-classification with the V prefix or designation.



## PUBLIC ENTITY PROPERTY

THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY.

### EARTH MOVEMENT COVERAGE

This endorsement modifies coverage provided under the  
PROPERTY BUILDING, PERSONAL PROPERTY, AND INLAND MARINE COVERAGE FORM PGIT MN-104:

#### EXCLUSION F.2.

**A. We will pay for direct physical loss to covered property caused by sudden earth movement.**

All earthquake shocks within a continuous 72-hour period will be considered a single **occurrence**. The expiration of this agreement will not reduce this 72-hour period.

**B. Limit of Liability**

The following **limits of liability** do not increase any other applicable **limit of liability**.

The most we will pay for all **earth movement** losses during any one **coverage agreement period** is shown in the DECLARATIONS.

**C. Earth movement** coverage under this endorsement does not apply to any underground piping, wiring, sewers, or any other conduit.



PUBLIC ENTITY
SCHEDULE OF DEDUCTIBLES

THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY.

This endorsement modifies coverage provided under the PROPERTY BUILDING, PERSONAL PROPERTY, AND INLAND MARINE COVERAGE FORM, PGIT MN-104 :

A. Deductible(s)

Your deductibles for this agreement will be according to the terms of the following paragraphs, and information in the DECLARATIONS.

- 1. Unless shown differently on this form or any endorsement, we will not pay unless a covered loss from any one occurrence exceeds the amount shown on this form or any endorsement. We will then pay for the excess, up to any other applicable limit of liability. If a covered loss involves two or more deductibles, we will only use the largest of the applicable deductibles, except in respect to Flood, where both the Flood deductible and Special Flood deductible can apply to the same Flood event, or unless shown differently on this form or any endorsement.
2. Earth Movement Deductible
a. We will not pay for an earth movement loss within a state or at a location shown on EARTH MOVEMENT COVERAGE form PGIT MN-109 until the loss exceeds deductible shown on the Earth Movement Schedule of this endorsement. We will then pay the amount of loss in excess of the deductible, up to the applicable limit of liability in any one occurrence.
b. A deductible of \$10,000 per occurrence applies to covered property in transit.

Earth Movement Schedule

Table with 3 columns: State or Location, Flat Deductible, Percentage Deductible. Row 1: Florida, See DECLARATIONS, See DECLARATIONS

3. Flood Deductible

- a. We will not pay for a flood loss within a state or at a location shown on FLOOD COVERAGE form PGIT MN-107 until the loss exceeds the applicable deductible shown on the Flood Schedule of this endorsement. We will then pay the amount of loss in excess of the deductible, up to the applicable limit of liability in any one occurrence.
b. A deductible of \$10,000 per occurrence applies to covered property in transit.

Flood Schedule

Table with 2 columns: State, Flood Zone or Location, Flat Deductible. Row 1: Florida, See DECLARATIONS and PGIT MN-107

4. Named Storm Deductible

- a. We will not pay for a named storm event loss until the loss exceeds deductible shown in the Declarations. We will then pay the amount of loss in excess of the deductible, up to the applicable limit of liability in any one occurrence.
b. A deductible of \$10,000 per occurrence applies to covered property in transit.
c. Deductible applies per location, as defined by each itemized listing on the applicable schedule.

- d. **Loss of Business Income**, when not scheduled per location, will be added to the values of damaged locations pro-rata by the amount of the actual **Loss of Business Income**.

Example:

5.0% Named Storm Deductible  
 \$100,000 Loss of Business Income limit

Location #1	Total Insured Value = \$100,000
Location #2	Total Insured Value = \$200,000
Location #3	Total Insured Value = \$300,000
Location #4	Total Insured Value = \$400,000

Assume a Named Storm causes the following covered loss:

Location #1	\$ 0
Location #2	\$ 20,000
Location #3	\$ 5,000
Location #4	\$ 25,000
Loss of Business Income	\$ 10,000

The Loss of Business Income would be allocated 40% to Location #2, 10% to Location #3, and 50% to Location #4 yielding:

Location	Deductible	Adjusted Loss	Payable
#2	\$ 10,000	\$20,000 + \$ 4,000 =\$24,000	\$14,000
#3	\$ 15,000	\$ 5,000 + \$ 1,000 =\$6,000	\$ 0
#4	\$ 20,000	\$25,000 + \$ 5,000 =\$30,000	\$10,000
TOTAL	\$24,000		



## PUBLIC ENTITY

### AUTOMATIC ADDITIONAL COVERED PARTIES

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

This endorsement modifies coverage provided under the **AUTOMOBILE COVERAGE FORM, PGIT MN-300**, the **GENERAL LIABILITY COVERAGE FORM, PGIT MN-200** and the **PROPERTY AND INLAND MARINE COVERAGE FORM, PGIT MN-104**

Where indicated by (x) below, coverage applies to the person(s) or organization(s) as their interest may appear. The provisions in this endorsement do not supersede Florida Statute 768.28, Article 10 § 13 of the Florida Constitution, or any other Statute or law limiting whom a Public Entity can indemnify.

X **ADDITIONAL COVERED PARTY - BY CONTRACT, AGREEMENT OR PERMIT**

**SECTION I - WHO IS A COVERED PARTY** is amended to include any person(s) or organization(s) (hereinafter called **Additional Covered Party**) with whom the **Covered Party** agrees in a written "insured contract" to name as an **Additional Covered Party**, but only with respect to liability arising, in whole or in part, out of the **Covered Party's** operations, "your work" or facilities owned or used by the **Covered Party**.

The coverage afforded to the **Additional Covered Party** does not apply:

- (1) Unless the written "insured contract", agreement or permit was executed prior to the "bodily injury," "property damage," "personal injury" or "advertising injury;"
- (2) To any person(s) or organization(s) included as a **Covered Party** under this coverage agreement or by an endorsement made part of this coverage agreement.

X **ADDITIONAL COVERED PARTY - OWNERS OF LEASED EQUIPMENT**

**SECTION II - WHO IS A COVERED PARTY** is amended to include any person(s) or organization(s) (hereinafter called **Additional Covered Party**) with whom the **Covered Party** agrees in a written equipment lease or rental agreement to name as an **Additional Covered Party**, but only with respect to liability arising out of the sole negligence of the **Covered Party**, and only while such equipment is in the care, custody or control of the **Covered Party**, or any employee or agent of the **Covered Party**.

The coverage afforded to the **Additional Covered Party** does not apply to:

- (1) "Bodily injury" or "property damage" occurring after you cease to lease or rent the equipment;
- (2) "Bodily injury" or "property damage" arising out of any negligence of the **Additional Covered Party**;
- (3) Structural alterations, new construction or demolition operations performed by or on behalf of the **Additional Covered Party**;
- (4) Liability assumed by the **Additional Covered Party** under any contract or agreement;
- (5) "Property damage" to:
  - (a) Property owned, used, occupied by, or rented to the **Additional Covered Party**;
  - (b) Property in the care, custody or control of the **Additional Covered Party** or its employees or agents, or of which the **Additional Covered Party**, its employees or agents are for any purpose exercising physical control.

X **ADDITIONAL COVERED PARTY - MANAGERS OR LESSORS OF PREMISES**

**SECTION II - WHO IS A COVERED PARTY** is amended to include any person(s) or organization(s) (hereinafter called **Additional Covered Party**) with whom the **Covered Party** agrees in a written agreement to name as an **Additional Covered Party**, but only with respect to liability arising, in whole or in part, out of the "premises" leased to the **Covered Party** by such person(s) or organization(s).

The coverage afforded to the **Additional Covered Party** does not apply to:

- (1) "Bodily injury" or "property damage" occurring after the **Covered Party** cease to be a tenant in that "premises";
- (2) "Bodily injury" or "property damage" arising out of any negligence of the **Additional Covered Party**;
- (3) Structural alterations, new construction or demolition operations performed by or on behalf of the **Additional Covered Party**;
- (4) Liability assumed by the **Additional Covered Party** under any contract or agreement;
- (5) "Property damage" to:
  - (a) Property owned, used, occupied by, or rented to the **Additional Covered Party**;
  - (b) Property in the care, custody or control of the **Additional Covered Party** or its employees or agents, or of which the **Additional Covered Party**, its employees or agents are for any purpose exercising physical control.

**Notwithstanding any other provision of this agreement, nothing in this agreement shall be construed as a waiver of either the Covered Party's or the Additional Covered Party's sovereign immunity nor shall any provision of this agreement increase the liability of the Covered Party or the Additional Covered Party, or the sums for which the covered party may be liable, beyond the limits provided in §768.28, Florida Statutes.**



Property Schedule

Agreement Period: 07/08/2014 through 07/08/2015

**City of Panama City Beach**

Agreement No.: PR FL1 0032017 13-02

Agency: Acentria Inc.

Unit #	Description Address		Year Built	Eff. Date	Building Value		Total Insured Value
				Term Date	Contents Value		
	Roof Shape	Roof Pitch	Const Type	Roof Covering		Covering Replaced	Roof Yr Blt
001	Outdoor Amphitheater 16053 Front Beach Road Panama City Beach, FL 32413		2013	07/08/2014	\$1,060,855		\$1,060,855
			111 - MNC	07/08/2015	\$0		
	Unknown			Steel - Standing Seam			2013
002	Restrooms 16053 Front Beach Road Panama City, FL 32413		2014	07/08/2014	\$390,436		\$390,436
			111 - MNC	07/08/2015	\$0		
				<b>Total:</b>	\$1,451,291	\$0	\$1,451,291





## CLAIM NOTICE

Please notify:

### Preferred Governmental Claim Solutions

P.O. Box 958456  
Lake Mary, FL 32795-8456

Toll Free: 1-800-237-6617 x 4002

Local: 321-832-1400

Fax : 1-321-832-1717

[www.pgcs-tpa.com](http://www.pgcs-tpa.com)

There are four ways to report a claim:

- 24/7 Online @ [www.pgcs-tpa.com](http://www.pgcs-tpa.com) , you must register for this service on the website
- Call 800-237-6617, ext 4002 - during office hours of 8am to 5pm Monday through Friday
- Fax 321-832-1448
- Email to [LiabilityClaims@pgcs-tpa.com](mailto:LiabilityClaims@pgcs-tpa.com)