

AGENDA
SUN VALLEY AIR SERVICE BOARD MEETING
KETCHUM CITY HALL
480 EAST AVENUE NORTH
KETCHUM, ID
September 21, 2016 - 3:00 P.M.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

CONSENT AGENDA *All items listed under the Consent Agenda will be approved in one motion without discussion unless any Board Member requests that the item be removed for individual discussion and possible action.*

1. Approval of Air Service Board Minutes of July 27, 2016;
2. Receive and File Financials:
 - a. 1% Local Option Tax Report – June 2016;
 - b. 1% Local Option Tax Report – July 2016;

ACTION/DISCUSSION

3. Discussion and action regarding renewal of insurance coverage with ICRMP for the Insurance Policy Year October 1, 2016 – September 30, 2017;
4. Consideration of Terrorism Property Coverage;
5. Authorization of Payment of Bills on-hand through September 16, 2016;

ADJOURNMENT

Please Note: The agenda is subject to revisions. Any person in need of assistance to attend or participate should contact Ketchum City Hall prior to the meeting at 208-726-3841. Air Service Board Packets are online at www.halleycityhall.org; www.svidaho.org; and www.ketchumidaho.org.

Sun Valley Air Service Board
Meeting Minutes
July 27, 2016
Hailey City Hall Meeting Room 2 pm

Present: Peter Hendricks – Mayor, City of Sun Valley
Fritz Haemmerle – Mayor, City of Hailey
Nina Jonas – Mayor, City of Ketchum

Absent: Larry Schoen – Blaine County Commissioner

Staff Present: Ketchum – Suzanne Frick
Sun Valley – Susan Robertson

CALL TO ORDER

[2:09:42 PM](#) call to order by Fritz Haemmerle.

CONSENT AGENDA

[2:10:16 PM](#) Hendricks moves to approve Consent Agenda items, seconded by Jonas, approved by roll call vote. Jonas, yes. Hendricks, yes. Haemmerle, yes.

PRESENTATIONS

[2:10:56 PM](#) Carol Waller, Executive Director of Fly Sun Valley Alliance presented the semi-annual budget request to the board. Waller discusses the 2016 success, 6 non-stop cities, including Portland flights starting in Dec. 2016. Mid year update Waller reviews these development efforts including winter and summer air contracts with United and Alaska airlines, local air marketing community outreach. Regarding the FY16 YTD results & successes, there were more seats and flights, non-stop LAX flights, increase in number of days having 3 flights/day to SLC. Improved busing operations and customer experience. More competitive air flights last winter. Winter season seats up 5%, enplanements up 4% across all carriers. Summer update, finalizing contracts for 2017 winter, looking to close on the 3rd Department of Transportation (DOT) grant in the past 10 years, which is a partnership with the airport. Overall 30% increase in seats for winter 2016/17, expanding the Seattle flight to 3 days a week beginning thanksgiving. Sun Airport air service growth between 2013-2016, average of 10% diversion rate (bused planes) about a 19% increase when factoring in the diversion rate. For FY17 goals and performance metrics, expand summer frequency and pursue new air service, looking to add another non-stop flight for FY18. Proposed budget for FY17, Waller explains the increases for marketing alliance and anticipates more money for the

consultant. Cost for annual surveys has increased, budget reflects this increase. Waller explains that it take a village to make this all work, thanks all of the partners involved. Waller thanks board.

[2:24:41 PM](#) Hendricks asks about the grant, what will it cover? Waller answered it will cover the Minimum Revenue Guarantee (MRG).

[2:25:22 PM](#) Haemmerle asks if they are matching grants. Waller responds yes, 80/20.

[2:26:18 PM](#) Arlene Schieven presented for the last time as Sun Valley Marketing Alliance Executive Director. Schieven presents a recap of winter 2015/2016, added Chicago as a target market for advertising. Schieven discussed the budget by market.

[2:28:42 PM](#) Haemmerle asked about NY and Chicago markets? Schieven replied. NY has had a good response. LAX was the most challenging market last year, since CA got good snow too. Conversation between Haemmerle and Schieven about how they target markets.

[2:30:44 PM](#) Summer 2016 budget, 3rd summer with additional LOT 1% funds. Budget by Season, total budget is \$1,510,750, 60% towards winter budget and 40% summer marketing. Schieven discussed how they will spend money on particular markets. Target markets for winter, destination leisure skier is primary and secondary is the ski focused traveler. 3rd target audience regional market (Boise). Boise is 26% of volume. Campaign concept is “no beaten path” to us. It describes how we are different than other markets, harder to get to Sun Valley, but worth it. Winter media plan, sept through March, RFP’s to 49 publishers who speak to SV audience, received 47 proposals. Heavily focused marketing in the digital market, and high impact. More video content than ever before. 90 second brand video which tells a story and 4 – 60 second detours on ski, outdoor, family and town. In summer 2017 campaign concept and creative confirmed, video & photography completed and media plan will begin in Jan 2017, first time we’ve been planning 1 year in advance.

Haemmerle thanked Schieven for her years of service and easy to understand presentations, - good luck in the future.

PUBLIC HEARING

[2:41:57 PM](#) Susan Robertson gave the budget presentation to the board. Robertson suggests to apply fund balance of \$607,000 to apply towards next year’s contracts.

[2:44:17 PM](#) Haemmerle asks about the fund balance. Robertson explains difference between expenses and revenue. Last year we moved \$270,000, kept approximately \$50,000 in the fund balance. This year better income, we are expecting more than we budgeted. Keeping in line with purpose, Robertson recommends to the Board to

allocate most of fund balance to go towards marketing. Haemmerle asked another question about the fund balance. Robertson, explains that there is little overhead operations needed, which is different than a municipality's budget. Targets ~\$50,000 in the fund balance for expenses.

There were no public comments.

Board deliberation.

[2:47:35 PM](#) Jonas asked a question. Robertson responded, that yes the Sun Valley lodge remodel has contributed to part of the increase in Sun Valley.

[2:48:32 PM](#) **Jonas moves to approve the budget, Hendricks seconds, motion passed with roll call vote, Hendricks yes. Jonas, yes. Haemmerle, yes.**

AMENDED AGENDA

[2:49:37 PM](#) **Motion to approve amended agenda by Jonas item 6, seconded by Hendricks. Motion passed unanimously.**

ACTION / DISCUSSION

[2:50:13 PM](#) Robertson gives the auditing services presentation, suggests to Board to accept the proposal and explains why.

[2:51:05 PM](#) **Hendricks makes a motion to approve Dennis Brown CPA audit agreement, seconded by Jonas, motion passed unanimously.**

[2:51:32 PM](#) payment of bills on hand, Robertson explained these items. Neither organization has hit their cap yet, getting close though, added Robertson.

[2:52:45 PM](#) **Jonas moves to approve bills on hand, seconded by Hendricks, Jonas, yes. Hendricks, yes. Haemmerle, yes.**

[2:53:32 PM](#) **Jonas move to adjourn, seconded by Hendricks, motion passed unanimously.**

1% Local Option Tax Report - June 2016

<u>1% LOT Generated</u>	<u>1% LOT Received</u>	<u>Sun Valley</u>	<u>Ketchum</u>	<u>Hailey</u>	<u>TOTAL</u>	<u>Communities' Direct Costs</u>	<u>LOT Funds from Communities</u>	<u>Air Service Board Administrative Expenses</u>	<u>Fund Balance Applied</u>	<u>Funds Available for Contracts</u>	<u>Fly SV Alliance Contract Expenses</u>	<u>% of Available Funds</u>	<u>SVMA Contract Expenses</u>	<u>% of Available Funds</u>
									270,000.00	270,000.00	54,000.00	20%	216,000.00	80%
Oct-15	Dec-15	23,617.42	108,535.59	3,966.60	136,119.61	-6,181.28	129,938.33	-2,955.00		126,983.33	25,396.67	20%	101,586.66	80%
Nov-15	Jan-16	17,203.31	107,445.27	2,775.83	127,424.41	-6,147.94	121,276.47	-125.00		121,151.47	24,230.29	20%	96,921.18	80%
Dec-15	Feb-16	69,987.79	243,369.11	5,786.85	319,143.75	-6,232.25	312,911.50	-125.00		312,786.50	62,557.30	20%	250,229.20	80%
Jan-16	Mar-16	42,379.49	163,150.32	10,381.19	215,911.00	-6,360.89	209,550.11	-125.00		209,425.11	41,885.02	20%	167,540.09	80%
Feb-16	Apr-16	58,703.63	184,907.18	7,001.05	250,611.86	-6,337.81	244,274.05	-125.00		244,149.05	48,829.81	20%	195,319.24	80%
Mar-16	May-16	44,181.22	162,606.26	6,833.63	213,621.11	-6,261.56	207,359.55	-125.00		207,234.55	165,787.64	80%	41,446.91	20%
Apr-16	Jun-16	18,540.19	92,508.00	3,098.79	114,146.98	-6,156.99	107,989.99	-625.00		107,364.99	96,628.49	90%	10,736.50	10%
May-16	Jul-16	26,366.42	97,318.01	3,241.01	126,925.44	-6,160.97	120,764.47	-125.00		120,639.47	108,575.52	90%	12,063.95	10%
Jun-16	Aug-16	46,656.24	149,481.05	6,940.60	203,077.89	-6,264.56	196,813.33	-125.00		196,688.33	177,019.50	90%	19,668.83	10%
Jul-16	Sep-16					-6,229.00		-125.00				90%		10%
Aug-16	Oct-16					-6,427.00		-125.00				90%		10%
Sep-16	Nov-16					-6,431.00		-125.00				49%		51%
		347,635.71	1,309,320.79	50,025.55	1,706,982.05	-75,191.25	1,650,877.80	-4,830.00	270,000.00	1,916,422.80	804,910.24		1,111,512.55	

1% Local Option Tax Report - July 2016

<u>1% LOT Generated</u>	<u>1% LOT Received</u>	<u>Sun Valley</u>	<u>Ketchum</u>	<u>Hailey</u>	<u>TOTAL</u>	<u>Communities' Direct Costs</u>	<u>LOT Funds from Communities</u>	<u>Air Service Board Administrative Expenses</u>	<u>Fund Balance Applied</u>	<u>Funds Available for Contracts</u>	<u>Fly SV Alliance Contract Expenses</u>	<u>% of Available Funds</u>	<u>SVMA Contract Expenses</u>	<u>% of Available Funds</u>
Oct-15	Dec-15	23,617.42	108,535.59	3,966.60	136,119.61	-6,181.28	129,938.33	-2,955.00	270,000.00	270,000.00	54,000.00	20%	216,000.00	80%
Nov-15	Jan-16	17,203.31	107,445.27	2,775.83	127,424.41	-6,147.94	121,276.47	-125.00		126,983.33	25,396.67	20%	101,586.66	80%
Dec-15	Feb-16	69,987.79	243,369.11	5,786.85	319,143.75	-6,232.25	312,911.50	-125.00		121,151.47	24,230.29	20%	96,921.18	80%
Jan-16	Mar-16	42,379.49	163,150.32	10,381.19	215,911.00	-6,360.89	209,550.11	-125.00		312,786.50	62,557.30	20%	250,229.20	80%
Feb-16	Apr-16	58,703.63	184,907.18	7,001.05	250,611.86	-6,337.81	244,274.05	-125.00		209,425.11	41,885.02	20%	167,540.09	80%
Mar-16	May-16	44,181.22	162,606.26	6,833.63	213,621.11	-6,261.56	207,359.55	-125.00		244,149.05	48,829.81	20%	195,319.24	80%
Apr-16	Jun-16	18,540.19	92,508.00	3,098.79	114,146.98	-6,156.99	107,989.99	-625.00		207,234.55	165,787.64	80%	41,446.91	20%
May-16	Jul-16	26,366.42	97,318.01	3,241.01	126,925.44	-6,160.97	120,764.47	-125.00		107,364.99	96,628.49	90%	10,736.50	10%
Jun-16	Aug-16	46,656.24	149,481.05	6,940.60	203,077.89	-6,264.56	196,813.33	-125.00		120,639.47	108,575.52	90%	12,063.95	10%
Jul-16	Sep-16	95,717.39	210,033.15	15,362.11	321,112.65	6,243.82	327,356.47	-125.00		196,688.33	177,019.50	90%	19,668.83	10%
Aug-16	Oct-16					-6,427.00		-125.00		327,231.47	294,508.32	90%	32,723.15	10%
Sep-16	Nov-16					-6,431.00		-125.00				49%		51%
		443,353.10	1,519,353.94	65,387.66	2,028,094.70	-62,718.43	1,978,234.27	-4,830.00	270,000.00	2,243,654.27	1,099,418.57		1,144,235.70	

**SUMMARY OF ICRMP PUBLIC ENTITY POLICY CHANGES
October 1, 2016 through September 30, 2017**

A. SECTION II, GENERAL DEFINITIONS

Item 1: A. (3.) *Automobile* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 2: A. (4.) *Bodily Injury* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 3: A. (5.) *Covered Property* – CLARIFY

Definition moved from Section V coverage section to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 4: A. (7.) *Discrimination* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 5: A. (8.) *Employee Benefit Program* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 6: A. (9.) *Employment Sexual Harassment* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 7: A. (10.) *Employment Harassment* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 8: A. (15.) *Mobile Equipment* – CLARIFY

Definition moved from Section V coverage section to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 9: A. (17.) *Occurrence* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 10: A. (18.) *Personal Injury* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 11: A. (21.) *Property Damage* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 12: A. (22.) *Retaliation* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 13: A. (23.) *Schedule of Values*– CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 14: A. (26.) *Wrongful Act* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

Item 15 A. (27.) *Wrongful Employment Practice Act* – CLARIFY

Definition moved from various individual coverage sections to General Definitions since it applies to all sections of the policy, unless amended specifically within the section.

B. SECTION III, GENERAL CONDITIONS

Item 1: A. (7.) *Defense of Claims or Suit* – CLARIFY

Moved from individual liability sections to General Conditions as it applies to all sections of the policy.

Item 2: A. (9.) (e.) *Duties after Claim* – CLARIFY

Added an item to the condition to mirror the same language in other sections of the policy that clarifies reports of risk management issues are not deemed to be a claim.

Item 3: A. (11.) *Extended Reporting Periods* – CLARIFY

Moved from individual liability sections to General Conditions as it applies to all sections of the policy.

Item 4: A. (16.) *Multiple Insureds, Claims or Claimants* – CLARIFY

Moved from individual liability sections to General Conditions as it applies to all sections of the policy.

Item 5: A. (18.) *Non-Stacking of Insurance Benefits*– CLARIFY

Moved from individual liability sections to General Conditions as it applies to all sections of the policy.

Item 6: A. (19.) *Non-Stacking of Limits* – CLARIFY

Moved from individual liability sections to General Conditions as it applies to all sections of the policy.

Item 7: A. (23.) *Salvage* – CLARIFY

Simplified the language within the condition to match with our claims practices.

C. SECTION IV, GENERAL EXCLUSIONS

Item 1: A. (1.) *Aircraft* – CLARIFY & BROADEN

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy. Also, amended exclusion to grant coverage for some airport operations such as liability related to air terminals and other airport owned property unrelated to air strips.

Item 2: A. (3.) *Bids or Estimates* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 3: A. (9.) *Eminent Domain* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 4: A. (10.) *Employee Benefits* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 5: A. (10.) (h.) *Employee Benefits* – REDUCTION

Expanded existing exclusion to add remove coverage because of liability imposed on a fiduciary by the Employee Retirement Security Act of 1974.

Item 6: A. (11.) *Employee Defendants in Criminal Action* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 7: A. (14.) *Incidental Medical Liability* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 8: A. (15.) *Intentional Acts* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 9: A. (17.) *Investigatory, Disciplinary or Criminal Proceedings* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 10: A. (19.) *Miscalculation or Legality of Assessments* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 11: A. (21.) *Opinion, Treatment, Consultation or Service*– CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 12: A. (23.) *Professional Board* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 13: A. (27.) *Wages*– CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 14: A. (29.) *Watercraft* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

Item 15: A. (30.) *Workers Compensation* – CLARIFY

Moved from individual liability sections to General Exclusions as it applies to all sections of the policy.

D. SECTION V, PROPERTY INSURANCE

Item 1: Exclusion 4. (l.) – *Excluded Property* - CLARIFY

Clarified the exclusion to simplify the language to match with our current claims practices.

E. SECTION IX, GENERAL LIABILITY INSURANCE

Item 1: Condition C. (3.) (f.) – *Proof of Loss* - CLARIFY

Clarified the condition to simplify the language within the condition to match with our claims practices.

Item 2: *Sublimit Removed for County or City Appointed Attorneys* – BROADEN

Removed \$500,000 for non-tort capped claims sublimit for City/County Appointed Attorneys while acting in statutory capacity as independent contractors in some instances.

F. SECTION X, LAW ENFORCEMENT LIABILITY INSURANCE

Item 1: Law Enforcement Liability Coverage Section - CLARIFY

Created stand-alone coverage section labeled Law Enforcement Liability by removing it from Section IX, General Liability Insurance. No changes have been made to coverage language.

G. SECTION XI, ERRORS AND OMISSIONS LIABILITY INSURANCE

Item 1: *Sublimit Removed for County or City Appointed Attorneys* – BROADEN

Removed \$500,000 for non-tort capped claims sublimit for City/County Appointed Attorneys while acting in statutory capacity as independent contractors in some instances.

H. SECTION XII, EMPLOYEE BENEFIT PROGRAM LIABILITY INSURANCE

Item 1: Employee Benefit Program Liability Coverage Section - CLARIFY

Created stand-alone coverage section labeled Employee Benefit Program Liability by removing it from Section XI, Errors and Omissions Insurance. No changes have been made to coverage language.

Item 2: *Granting Coverage for County or City Appointed Attorneys* – BROADEN

Expanded definition of an insured in this section to grant coverage for City/County appointed attorneys while acting in statutory capacity as independent contractors in some instances.

I. SECTION XIII, EMPLOYMENT PRACTICES LIABILITY INSURANCE

Item 1: Employment Practices Liability Coverage Section - CLARIFY

Created stand-alone coverage section labeled Employment Practices Liability by removing it from Section XI, Errors and Omissions Insurance. No changes have been made to coverage language.

Item 2: *Granting Coverage for County or City Appointed Attorneys* – BROADEN

Expanded definition of an insured in this section to grant coverage for City/County appointed attorneys while acting in statutory capacity as independent contractors in some instances.

J. SECTION XIV, SEXUAL MOLESTATION LIABILITY INSURANCE

Item 1: Sexual Molestation Liability Coverage Section - CLARIFY

Created stand-alone coverage section labeled Sexual Molestation Liability by removing it from Section IX, General Liability Insurance. No changes have been made to coverage language.

Item 2: *Granting Coverage for County or City Appointed Attorneys* – BROADEN

Expanded definition of an insured in this section to grant coverage for City/County appointed attorneys while acting in statutory capacity as independent contractors in some instances.

K. SECTION XII, ENDORSEMENTS

Item 1: Cyber Liability Endorsement #3. – BROADEN

Reduced per claim deductible from \$25,000 per occurrence to match the member's underlying property deductible.



Policy Year

2016-2017

PUBLIC ENTITY
Multi-Lines Insurance
Policy

Issued for:

Sun Valley Air Service Board

Issued by:

Idaho Counties Risk Management Program

3100 Vista Avenue, Suite 300, Boise, ID 83705

Phone: (208) 336-3100 ~ Fax: (208) 336-2100

www.icrmp.org



**JOINT POWERS SUBSCRIBER
AGREEMENT**

APPROVED BY BOARD OF TRUSTEES
FOR USE AFTER FEBRUARY 2, 2015

JOINT POWERS SUBSCRIBER AGREEMENT

Idaho Counties Risk Management Program, Underwriters

THIS AGREEMENT is entered into pursuant to the provisions of Idaho Code, Sections 67-2326 through 67-2333, relating to the joint exercise of powers among political subdivisions of the State of Idaho, by political subdivisions of the state of Idaho as defined by the Idaho Tort Claims Act, as subscribers to counterparts of this Agreement, for the purpose of operating a separate legal entity to be known and designated as the Idaho Counties Risk Management Program, Underwriters, hereinafter referred to as "ICRMP". At the time of making of this Agreement, ICRMP is considered by the Idaho Department of Insurance to be a reciprocal insurer organized pursuant to provisions of Idaho Code, Title 41, Chapter 29.

It is AGREED among the MEMBERS of ICRMP all of which have accepted this Agreement or to a prior counterpart, that by virtue of accepting the terms of this version of the Joint Powers Subscriber Agreement, by approving a prior counterpart and subsequently renewing participation after changes to a prior counterpart have been implemented by the Board of Trustees or by paying a Member contribution as billed, as follows:

WHEREAS, POLITICAL SUBDIVISIONS of the State of Idaho have the authority to purchase liability insurance for themselves and their employees pursuant to Idaho Code §6-923 and to contract for property and other insurance coverage as they deem necessary or proper pursuant to Idaho Code §67-2328; and

WHEREAS, it is to the mutual benefit of POLITICAL SUBDIVISIONS to join together to establish the legal entity created by this Joint Powers Agreement (JPA) to accomplish the purposes hereinafter set forth; and

WHEREAS, the MEMBERS have determined that there is a need for POLITICAL SUBDIVISIONS to jointly create an insurance and risk management program; and

WHEREAS, the laws of the State of Idaho authorize the formation of what has been classified as a reciprocal insurer by POLITICAL SUBDIVISIONS without abrogating any privileges or immunities accorded to them by law;

NOW, THEREFORE, BE IT AGREED, in consideration of the mutual advantages, obligations and benefits to each POLITICAL SUBDIVISION and the mutual covenants herein contained, the MEMBERS of ICRMP, with the consent and concurrence of the subscribing POLITICAL SUBDIVISION, agree as follows:

ARTICLE I. DEFINITIONS.

As used in this Agreement, the following terms shall have the respective meanings hereinafter set forth:

- (1) **ICRMP (PROGRAM).** The Idaho Counties Risk Management Program, Underwriters, a pooled insurance and risk management program established pursuant to the statutes of this state by this Joint Powers Subscriber Agreement and licensed as a reciprocal insurer pursuant to Idaho Code Title 41, Chapter 29.
- (2) **BOARD.** The Board of Trustees of ICRMP, which shall serve as the Subscribers' Advisory Committee, as such is required by Idaho Code Title 41, Chapter 29.
- (3) **MEMBERS.** The POLITICAL SUBDIVISIONS, as defined in Section 6-902(2), Idaho Code, which qualify and agree to the terms of this JPA, as such may be revised upon approval by the Board of Trustees from time to time.
- (4) **JOINT POWERS SUBSCRIBER AGREEMENT (JPA).** This Agreement, wherein political subdivisions agree to participate in the insurance and risk management offerings of ICRMP as set forth by the BOARD.

ARTICLE II. ESTABLISHMENT, MAINTENANCE AND PARTICIPATION IN ICRMP.

The Idaho Counties Risk Management Program, Underwriters, a separate Joint Powers Entity, was created through a JPA by numerous counties of the state of Idaho with an initial effective date of November 29, 1985. The JPA has been subsequently amended numerous times during the history of the PROGRAM. This JPA is intended to continue the organization and operation of ICRMP into future years upon the foundation laid by prior joint powers and subscribers' agreements. The public entity named on the concluding page of this JPA, a political subdivision of the State of Idaho, upon approval of payment of an allocated MEMBER contribution will become a MEMBER of the Idaho Counties Risk Management Program, Underwriters (ICRMP) with all rights and duties associated therewith. This Agreement supersedes all prior ICRMP JPAs and will become effective for all MEMBERS on the date identified in the footer of this version of the JPA upon acceptance of the tender of continued participation offered during the annual renewal process. Changes to the JPA are deemed accepted either by express action by the governing board or by renewing participation in the PROGRAM by paying the allocated MEMBER contribution for a succeeding year. The rights and privileges of any withdrawing Member will be governed by the JPA in effect for the final year of any Member's participation.

ARTICLE III. PURPOSES AND DURATION.

- (1) The purposes of ICRMP are to provide an insurance and risk management program and to assist MEMBERS to prevent and reduce losses to MEMBERS' property and injuries or harm to persons or property which might result in claims being made against MEMBERS, their employees, officers, or agents, whether appointed, employed, elected or serving as recognized volunteers.
- (2) It is the intent of the MEMBERS of ICRMP to create a separate entity of unlimited duration that will administer an insurance and risk management program and use funds contributed by MEMBERS to defend and indemnify, in accordance with this Agreement and the issued policy(ies) of insurance, any ICRMP MEMBER against stated liability or loss, to the limits of the insurance policy issued by or procured through ICRMP. It is also the intent of the MEMBERS to have ICRMP provide continuing stability and availability of needed insurance coverage at reasonable costs and to provide education and training to ICRMP MEMBERS in the interest of meeting the challenges of local governance. All income and assets of ICRMP shall be at all times dedicated to the ultimate benefit of its MEMBERS in matters of risk and insurance, inclusive of services and issues not directly addressed by ICRMP-issued policies.
- (3) It is the intent of the MEMBERS of ICRMP that the PROGRAM serve as a vehicle for cooperative undertakings for all program MEMBERS, or selected groups thereof, to share the costs of certain required or desired insurance or risk-related obligations which the MEMBERS desire to study or implement. In implementation of any such programs, the participating MEMBERS shall bear the allocated costs of carrying out the purposes of the program(s).

Participation in ICRMP shall be comprised of those POLITICAL SUBDIVISIONS that have approved this Agreement or one of its prior iterations or that have agreed to pay the required MEMBER contributions. MEMBERS agree to the admission of future MEMBERS in accordance with provisions of the JPA and acknowledge that they shall have no right to object to the addition of such MEMBERS provided they are admitted in accordance with the terms hereof. This Agreement shall be automatically renewed, annually or periodically, consistent with BOARD-established policy terms, unless the provisions for withdrawal, expulsion or termination are applied in compliance with the terms of this agreement or adopted BOARD policy. No insurance will be provided unless the allocated MEMBER contribution is paid when due. The BOARD, or the Executive Director, as delegated by the BOARD, is authorized to attach conditions to entry into ICRMP membership or to maintenance of membership in ICRMP in the interest of protecting the shared interests of participating MEMBERS. Such conditions may include contribution surcharges, coverage limitations, reductions of limits or other methods designed to recognize risk exposure or to protect the shared interests of other PROGRAM participants.

ARTICLE IV. MANNER OF FINANCING.

Financial operations of ICRMP shall be committed to the sound discretion of the BOARD with the primary intent being the long-term solvency of the PROGRAM. Financial contributions from MEMBERS shall be determined by the BOARD of ICRMP working through the Executive Director, considering, among other factors, risk exposure, loss experience, net operating expenditures, property ownership, costs of administering claims, costs of providing risk management services, participation in risk reduction programs, conduct by officials and other appropriate or necessary costs of program administration .

ARTICLE V. NON-WAIVER OF GOVERNMENTAL OR OTHER IMMUNITY.

MEMBERS of ICRMP, by participation in this PROGRAM, do not waive any immunities or limitations of liability provided to political subdivisions or their employees by any law of this state or nation.

ARTICLE VI. ICRMP POWERS AND DUTIES.

The powers of ICRMP to perform and accomplish the purposes set forth above shall, within budgetary limits and procedures set forth in this Agreement and as otherwise established by the BOARD, be to:

- (a) Employ agents, employees and independent contractors.
- (b) Purchase, sell, encumber and lease real property; to incur obligations on behalf of the PROGRAM to the extent permitted by Idaho statutes and the Idaho Constitution; and to purchase, sell, or lease equipment, machinery, and personal property.
- (c) Invest funds as allowed by Idaho statutes.
- (d) Carry out educational and other programs relating to risk management, including the prerogative to offer discounts or credits upon demonstrating compliance with standards for BOARD-approved risk reduction methods or plans.
- (e) Create, collect funds for, and administer an insurance and risk management program.
- (f) Purchase excess insurance and/or reinsurance to supplement the self-insured retention.
- (g) Establish reasonable and necessary loss reduction and prevention recommendation procedures to be followed by the MEMBERS.
- (h) Provide insurance-related services, risk management, loss control, underwriting and claims adjustment or to contract for such services, including the defense and settlement of claims, subject to specific limitations and/or restrictions, which may be imposed and adopted by the BOARD.
- (i) Carry out such other activities as are necessarily implied or required to carry out the purposes of ICRMP specified in Article III of this Agreement, even though such undertakings might not be known at the time of entering into this Agreement, or might not be included within the specific powers enumerated in this Article.
- (j) Sue and be sued.
- (k) Enter into contracts.

- (l) Reimburse BOARD members for reasonable and approved expenses incurred in attending to BOARD responsibilities.
- (m) Provide security, insurance or bonds regarding the official responsibilities of all officers, BOARD members and employees of ICRMP.
- (n) Borrow funds with approval by the BOARD as necessary for current operating purposes, so long as repayment is achieved before the conclusion of the subsequent fiscal year.
- (o) Take appropriate steps to protect pool resources from careless or reckless conduct by ICRMP MEMBERS or by individual public officials of Member entities.
- (p) Establish terms and conditions of initial or continued Membership in the ICRMP Program.

ARTICLE VII. PARTICIPATION.

Any MEMBER of ICRMP shall be permitted to participate in the activities of ICRMP as authorized by this Agreement or pursuant to decisions by the Board of Trustees. MEMBER participation in ICRMP activities concerning the respective rights and responsibilities of any particular MEMBER shall require the approval of the governing board of that MEMBER.

ARTICLE VIII. MEMBERS' RIGHTS AND OBLIGATIONS - DISPUTE RESOLUTION PROCEDURES.

- (1) The individual MEMBERS of ICRMP, acting through their respective governing boards, shall have the right to:
 - (a) Petition the BOARD to be heard regarding any aspect of the PROGRAM operation in accordance with internal dispute resolution procedures approved by the BOARD or as otherwise determined in accordance with procedural guidelines authorized by the BOARD or the Chairman of the BOARD as circumstances warrant.
 - (b) Withdraw from PROGRAM participation at any time authorized by this Agreement. MEMBERS recognize that the PROGRAM is managed for long-term participation and that agreements that support PROGRAM operation are of one-year or longer duration. Consequently, early withdrawal from the PROGRAM during the course of a policy year may be subject to additional financial obligation for the withdrawing MEMBER as determined by the BOARD.
 - (c) After renewing its membership in ICRMP at least once, to nominate, recommend or vote concerning selection of a representative to serve on the BOARD of ICRMP as provided by this JPA.

(2) The obligations of MEMBERS of ICRMP shall be as follows:

- (a) To pay promptly all MEMBER contributions to ICRMP at such times and in such amounts as shall be established by the BOARD pursuant to this Agreement. Any delinquent payments may incur interest, penalties or other financial consequences as determined by resolution of the ICRMP Board of Trustees. Insurance coverage and other services will not continue for MEMBERS that are delinquent in payment of contribution amounts according to the terms of this Agreement and any related resolution approved by the Board of Trustees. Notice of termination of coverage or of services, for non-payment or otherwise, will be provided in writing in compliance with Idaho Department of Insurance requirements.
- (b) To allow the PROGRAM and its agents, officers and employees reasonable access to all premises of the MEMBER and all records, including but not limited to financial and administrative records, as reasonably required for the administration of ICRMP and the effective handling of claims threatened or brought against MEMBERS.
- (c) To cooperate fully with the PROGRAM'S attorneys, claims adjusters and any other agent, employee, or officer of ICRMP in activities relating to the purposes and powers of ICRMP.
- (d) To make good faith efforts to follow the safety, loss reduction and prevention recommendations expressed by the PROGRAM and to cooperate in risk reduction strategies proposed or required by the PROGRAM.
- (e) To report to ICRMP immediately all incidents or occurrences that could reasonably be expected to result in ICRMP being required to consider a claim against the MEMBER, its agents, officers, or employees, or for losses to MEMBER'S property within the scope of coverage undertaken by ICRMP.
- (f) To report to ICRMP as soon as reasonably possible, by way of the public entity's insurance agent or otherwise, in accordance with the issued Policy of Insurance and related guidelines, the addition of new programs, facilities and equipment or the significant reduction or expansion of existing programs, facilities and equipment or other acts that could cause material changes in the MEMBER'S risk of property or liability-related loss exposure.
- (g) To provide ICRMP periodically and consistent with Policy terms, but in no instance less frequently than annually, in accordance with the issued Policy of Insurance, with information on the value of buildings and contents and other real and personal properties. Each MEMBER is obliged to cooperate with the PROGRAM *via* its independent insurance agent.

(h) To utilize BOARD-approved dispute resolution procedures regarding any contest or disagreement regarding a provision or scope of coverage pursuant to the insurance program/policy or any other aspect of PROGRAM operation, prior to addressing any such disagreement to a state or Federal administrative agency or prior to initiating legal action against ICRMP. MEMBERS expressly agree to follow the internal dispute resolution procedures adopted by the BOARD before contesting administrative determinations, coverage or claims non- payment issues in a court of law or before a regulatory agency. Such procedures require MEMBERS to thoroughly disclose any bases for such disagreement in writing to the BOARD prior to being heard in the process of resolving any such dispute. MEMBER expressly agrees that failure to exhaust the internal dispute resolution procedures established by the BOARD constitutes a material breach of this JPA. MEMBER further agrees not to initiate legal action against the PROGRAM or initiate contested procedures before any state or Federal regulatory agency regarding any dispute with the PROGRAM until said dispute resolution procedure has reached its conclusion before the BOARD within a reasonable timeframe. MEMBER agrees that ICRMP may enforce this provision by seeking the remedy of specific performance in a court of competent jurisdiction. A MEMBER that pursues a remedy in court or before a regulatory agency agrees to reimburse the PROGRAM its reasonable costs and attorney fees incurred in defense of any such suit or administrative proceeding if the matter has not first been brought to the BOARD pursuant to this dispute resolution procedure. The restrictions contained in this subsection may be waived by mutual agreement of the PROGRAM and the MEMBER.

(3) The basic elements of the dispute resolution procedure within ICRMP shall include the following:

(a) Filing a written statement by the MEMBER stating the specific basis for disagreement with a decision by the Executive Director or BOARD regarding aspects of PROGRAM operation or contribution requirements, provision of coverage or non-payment of a claim for money damages. Such filing shall be followed promptly by a conference with the Executive Director, in person or by telephone, to attempt to resolve the stated differences. The Executive Director shall thereafter respond to the MEMBER in writing not more than ten (10) business days after the conference. Such written response shall set forth the basis of the Executive Director's decision concerning the contested matter. If the matter contested involves a decision originally made by the BOARD, the request for BOARD consideration can be routed directly to the BOARD if the Executive Director lacks authority to revise a BOARD-established policy, practice or result.

(b) Following receipt of the Executive Director's written response, MEMBER may appeal the determination of the Executive Director to the BOARD. Any such appeal shall be made in writing setting forth the specific basis for the

appeal and the particular reasons for the disagreement with the determination of the Executive Director. When an appeal is received at least fourteen (14) days prior to a BOARD meeting, it will be included on the next BOARD agenda. If an appeal is not received at a time that allows it to be timely placed upon the agenda of the next BOARD meeting, the MEMBER and Executive Director, working in consultation with the Chairman of the BOARD, shall determine whether the matter is of such importance and urgency that it requires the call of a special BOARD meeting or whether it can be addressed at the next regularly scheduled BOARD meeting without irreparably harming the MEMBER. If a MEMBER insists upon the call of a special meeting by formal action of its governing board, a special meeting of the BOARD shall be called to hear the appeal.

- (c) The BOARD shall hear oral presentations, not in excess of one hour each, by the MEMBER and the Executive Director, or those designated by the Executive Director, should either or both desire. After hearing from both parties, the BOARD shall decide the controversy and shall tender its decision in writing within thirty (30) days. In doing so the BOARD may consult independently, or through the Executive Director, with legal advisers and/or consultants. The decision of the BOARD shall be final, unless reconsideration is requested by the MEMBER and approved for reconsideration by the BOARD. Until a final decision is made pursuant to the procedures set forth in this Article, no MEMBER may initiate or institute legal action against ICRMP or its officers, employees or agents arising out of the performance of this Agreement or the contract of insurance issued pursuant to this Agreement. Nor shall a contested matter be initiated by a MEMBER before a state or federal administrative agency without completing the dispute resolution procedure set forth herein.
- (d) The BOARD reserves the right to vary the foregoing procedures in a mutually agreeable manner, as necessary to accommodate the interests of ICRMP, its MEMBERS, or others with an interest in the just resolution of differences regarding PROGRAM operation.

ARTICLE IX. MEMBER CONTRIBUTIONS.

The BOARD of ICRMP shall institute methods to establish annual or periodic contribution amounts for MEMBERS. The PROGRAM may change contribution amounts charged to any MEMBER from year to year to reflect changes in PROGRAM operating costs, changes in risk resulting from operational changes, changes in property values or ownership, reevaluation of operating risks MEMBER conduct concerning exposures or risks or refusal to participate in or willful violation of safety or loss prevention programs or for other reasons established by the BOARD. Conversely, the PROGRAM may offer contribution amount discounts for any MEMBER that faithfully participates in loss prevention and safety programs or for other reasons established by the PROGRAM. Each MEMBER'S contribution amount shall

be calculated in accordance with rate determination methods approved by the BOARD for any Policy Year, unless additional coverage is requested by the MEMBER. While the BOARD's rate determination methods must have the objective for each MEMBER's contribution to not be inadequate, excessive or unfairly discriminatory, relative to the assessable risk of each MEMBER and the PROGRAM, MEMBERS acknowledge that rate-setting involves risk and exposure assumptions which are not purely formulaic and which rely on the professional judgment of the BOARD and BOARD's advisors. No MEMBER may be further assessed during a Policy Year unless in response to a material change in property or activities not disclosed or addressed at the time of annual renewal. Additional contribution amount may be charged when changes are made to covered property or activities during the course of a year. The PROGRAM reserves the right to condition continued participation by any MEMBER upon compliance with specific performance requirements, payment of modified deductible amounts and such other measures as the PROGRAM deems necessary or appropriate. The PROGRAM also reserves, in compliance with Article XVIII, the right to discontinue membership or diminish coverage or limits or increase the self-insured responsibility of any MEMBER that does not cooperate with PROGRAM goals, objectives, or requirements or that acts without regard to consequences concerning matters that affect ICRMP and its MEMBERS.

ARTICLE X. BOARD OF TRUSTEES – ELECTION AND REPRESENTATION.

The BOARD of Trustees shall be comprised of nine (9) elected public officials, upon the initial effective date of this iteration of the JPA, six (6) of whom shall be county commissioners and three (3) who shall hold elective office in other POLITICAL SUBDIVISIONS. The electoral/appointive boundaries for designated BOARD members shall be organized as follows:

County District I: Counties of Boundary, Bonner, Kootenai, Benewah and Shoshone.

County District II: Counties of Latah, Clearwater, Nez Perce, Lewis and Idaho.

County District III: Counties of Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore and Owyhee.

County District IV: Counties of Camas, Blaine, Gooding, Lincoln, Jerome, Minidoka, Twin Falls and Cassia.

County District V: Counties of Bingham, Power, Bannock, Caribou, Oneida, Franklin and Bear Lake.

County District VI: Counties of Lemhi, Custer, Clark, Fremont, Butte, Jefferson, Madison, Teton and Bonneville

Region I: Elected official of a city from within Districts I, II, and III elected by all Member cities in the Region .

Region II: Elected official of a city from within Districts IV, V and VI elected by Member cities in the Region.

Special District Member: Elected official of any MEMBER other than a county or city, selected by a vote of the Board, chosen from nominees submitted by non-county or non-city MEMBERS.

Each member of the BOARD shall be either a commissioner elected from a MEMBER County, an elected official of a MEMBER city or other POLITICAL SUBDIVISION, and shall serve for a period of two (2) years, or until a successor is elected or appointed. Four (4)

members of the BOARD (even-numbered County Districts and the Region II seat) shall be elected for two (2) year terms in the final months of odd-numbered years, while another five (5) members of the BOARD (odd-numbered County Districts and the Region I seat plus the Special District Member) shall be elected/appointed for two (2) year terms in even-numbered years. For purposes of this Agreement, a "Board Seat" shall be defined as the position on the ICRMP Board of Trustees designated for and occupied by the representative duly elected or appointed from a District, Region or statewide, respectively, as outlined in this Section. The Executive Director shall administer the election process in order to allow election results to be canvassed by the BOARD during its December meeting. The respective boards of county commissioners of each MEMBER county may cast a ballot for their District member of the BOARD; governing boards of cities may vote for regional City representatives and Special District Member candidates may be nominated by governing boards of Member Special Districts. Valid ballots must be received by ICRMP at a time and place specified by the Executive Director prior to the BOARD's final meeting each calendar year. Each member of the BOARD shall serve from the date of the first BOARD meeting in the year succeeding his election/appointment through the conclusion of his/her term when a succeeding BOARD member is seated or for another term if the BOARD member is re-elected/reappointed.

Article XI. REMOVAL OF BOARD MEMBER

At any time during the course of service of an elected BOARD member such member may be removed by the PROGRAM MEMBERS that elected such BOARD member by either of two (2) means. The first method by which an elected BOARD member's continued service may be submitted to his constituent electors is by receipt of a petition of no confidence approved by the respective governing boards of MEMBER entities equal to at least one-half (1/2) of the number of votes received by the BOARD member when the BOARD member was most recently elected to the BOARD. Any such petition shall succinctly set forth the reasons of misconduct, personal behavior, wrongdoing, failure to exercise diligence or failed representation that justifies a no-confidence/removal election.

The second alternative to refer a BOARD member's continued service to his constituent electors would be a no-confidence declaration by members of the ICRMP BOARD. By majority vote of no confidence, exclusive of the BOARD member in question, the BOARD may choose to submit the question of continued service by an elected BOARD member to the BOARD member's constituent electors, stating in any motion to proceed with such election the express reasons therefor. Any BOARD member appointed to fill the remainder of an elected member's term shall be treated as an elected BOARD member.

In the event of receipt of a qualifying no-confidence petition, or following a no-confidence vote by the ICRMP BOARD, the question to be presented to a BOARD member's constituent electors shall be whether the identified BOARD member should continue to serve on the BOARD. The reasons for no-confidence stated in the petition from dissatisfied MEMBERS or expressed in the motion by BOARD shall be included in election materials sent to constituent electors along with a statement prepared by the BOARD member in response. Neither message shall exceed three hundred (300) words. Voting in any such election shall be open for at least

twenty-one (21) days from the date ballots are first mailed. The Executive Director shall establish a time and date-certain by which all ballots must be received. Votes shall be tallied by the Executive Director or his designee(s). A majority of lawful votes cast shall determine the outcome. If a no-confidence vote results in removal of BOARD member, the seat may be refilled by BOARD appointment until the next election wherein a replacement can be elected to fill a new term or the remainder of the prior term, whichever is applicable.

Any BOARD Member holding an appointive or *ex-officio* non-voting position may be removed by majority vote of the BOARD for reasons of misconduct, personal behavior, wrongdoing or failure to exercise diligence after providing the BOARD Member a written statement of concerns and allowing the BOARD Member an opportunity to be heard by the BOARD. In the circumstances of such proceedings, a BOARD Member facing possible removal shall be entitled to written notice of the concerns no less than seven (7) calendar days prior to BOARD action and the hearing opportunity for the subject BOARD Member shall be no less than one (1) hour in duration.

ARTICLE XII. POWERS AND DUTIES OF THE BOARD OF TRUSTEES.

The BOARD shall have the following powers and duties to:

- (1) Annually elect a chairman and vice-chairman. Each officer shall serve until his or her successor is elected.
- (2) Admit or expel MEMBERS, or to condition continued participation in the PROGRAM, in accordance with this Agreement.
- (3) Establish procedures for determining contribution amounts and authorizing payment procedures for MEMBERS.
- (4) Establish the insurance and risk management program design.
- (5) Provide for selection of all personnel and contractors necessary for the administration of ICRMP, including the appointment of an Executive Director to supervise the business of the PROGRAM and carry out other functions delegated by the BOARD.
- (6) Establish a schedule for BOARD meetings.
- (7) Exercise all powers of ICRMP, except powers reserved to the MEMBERS.
- (8) Prepare, adopt and oversee ICRMP's budget.
- (9) Receive reports concerning PROGRAM activities and to make reports to the MEMBERS.
- (10) Provide for underwriting, claims and loss control procedures.
- (11) Provide for the investment and disbursement of funds.
- (12) Enact resolutions establishing procedures governing its own conduct and the powers and duties of its officers, not inconsistent with this Agreement and applicable provisions of law.
- (13) Provide to MEMBERS an annual report of operations and financial affairs.
- (14) Form committees and advisory panels; and to provide other services as needed by ICRMP. The BOARD shall determine the method of appointment and terms of members of committees and advisory panels.

- (15) Submit to MEMBERS an amended JPA upon adoption and at the date of periodic renewal, or otherwise, for re-adoption, express acceptance or payment of a member contribution by MEMBERS.
- (16) Dissolve ICRMP when BOARD action is accompanied by a two-thirds (2/3) vote of the entire then-current MEMBERSHIP, provided that a notice of intent to dissolve ICRMP shall be given to the Director of the Department of Insurance of the State of Idaho at least ninety (90) days prior to the proposed effective date. Like notice of such intent shall be provided to all MEMBERS at least thirty (30) days before any such vote regarding dissolution in compliance with title 41, Idaho Code and other applicable statutes. Assets remaining after discharge of its indebtedness and policy obligations, the return of any surplus made as provided in Idaho Code §41-2916, and the return of any unused premium, savings or credits then standing on subscribers' accounts, shall be distributed to its subscribers who were such within the twelve (12) months prior to the last termination of its certificate of authority, according to such reasonable formula as the director may approve pursuant to Idaho Code §41-2928.
- (17) Appoint or remove appointed or non-voting *ex-officio* members of the BOARD
- (18) Do or delegate all acts necessary and proper for the implementation of this Agreement.

ARTICLE XIII. ESTABLISHMENT OF LOSS PAYING FUND.

The PROGRAM shall endeavor to maintain available funds in amounts the BOARD deems reasonably sufficient to annually provide the resources necessary to fund ICRMP's general and administrative expenses, any reinsurance or excess insurance requirements, to pay the current year's claims and claims expenses and to sustain the financial stability of the PROGRAM, in addition to funds necessary to meet ICRMP's obligation to satisfy the requirements of any regulatory authority.

ARTICLE XIV. SCOPE OF COVERAGE.

- (1) ICRMP shall provide policy protection to each MEMBER as provided in the MEMBER'S policy of insurance. MEMBER acknowledges that the policy of insurance transfers risk of loss from the MEMBER to ICRMP subject to the terms, conditions and exclusions addressed by the policy. MEMBER acknowledges that not all risks are insurable and that any excluded risks are not transferred pursuant to this Agreement.
- (2) In the event that a claim or a series of claims exceeds the amount of coverage provided by the MEMBER's Policy, payment of valid claims shall become the sole and separate obligation of the individual MEMBER or MEMBERS against whom the claim was made and perfected by litigation or settlement. No Subscriber shall be entitled to a contribution from other MEMBERS beyond the annual amount obligated by this Joint Power Subscribers Agreement and the policy of insurance which complements it.

ARTICLE XV. MEETINGS OF THE BOARD OF TRUSTEES.

- (1) The BOARD may set a time and place for meetings in accordance with applicable law. All provisions of law applicable to public meetings shall be observed.
- (2) A majority of seated trustees shall constitute a quorum to do business. All formal acts of the BOARD shall require a majority vote of the trustees present and voting, unless otherwise required by law.
- (3) Because of the distance that separates the Trustees, the BOARD may conduct official business by telephone/video conference call. When a conference call meeting is convened the base of such meeting will normally be the ICRMP Building in Boise, Idaho. An alternative base meeting location may be designated by the Executive Director when necessary to effectively conduct BOARD business. At the base location a speaker phone shall be provided in order to allow the public to hear the discussion carried on by the BOARD. Executive session and notice provisions of the Open Meeting Law shall apply when appropriate or required.

ARTICLE XVI. LIABILITY OF BOARD OF TRUSTEES OR OFFICERS.

The trustees or officers of ICRMP should use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be personally liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care so long as the actions or omissions complained of shall have taken place within the course and scope of their official duties. No trustee shall be personally liable for any action taken or omitted by any other trustee. The assets of ICRMP may be used to defend and indemnify any trustee, officer, agent or employee for actions taken by each such person in good faith within the scope of his or her authority for ICRMP as public officials in the state of Idaho. ICRMP may purchase insurance providing coverage for trustees, officers and employees.

ARTICLE XVII. WITHDRAWAL FROM MEMBERSHIP.

Any MEMBER may withdraw from ICRMP after the MEMBER'S initial one (1) year term by giving notice to the Executive Director, in writing, of its desire to withdraw. Any MEMBER may withdraw from ICRMP within thirty (30) days after the date that the PROGRAM gives notice in writing of an amendment to this Agreement or its accompanying policy of insurance by tendering to the Executive Director written notice of its intent to withdraw. The continuing rights of any withdrawing MEMBER shall be as set forth in the most recent JPA. A voluntarily withdrawing MEMBER shall be deemed to have forfeited any claim of right or equity to any portion of liquidated surplus or to any credit or dividend should any be declared by the Board of Trustees.

ARTICLE XVIII. EXPULSION OF MEMBERS - CONDITIONS OF CONTINUED PARTICIPATION.

- (1) Any MEMBER may be expelled at the initiation of the Executive Director or the BOARD at any time during a policy year for one or more of the following reasons:
 - (a) Failure to make any payments due to ICRMP.
 - (b) Willful failure to undertake or continue loss reduction or loss prevention recommendations by ICRMP.
 - (c) Failure to allow ICRMP reasonable access to all facilities and records of the MEMBER necessary for proper administration of ICRMP.
 - (d) Failure to fully cooperate with ICRMP's attorneys, claim adjusters or other agents, employees, or officers of ICRMP.
 - (e) Failure to carry out any obligation of a MEMBER which impairs the ability of ICRMP to carry out its purpose or powers.
 - (f) Exhibiting reckless behavior which causes claims which could have been avoided by prudent or responsible action.

- (2) No MEMBER expulsion shall be effective until at least thirty (30) days after notice from the Executive Director of the alleged failure of performance, however the notice of expulsion from the Executive Director may include exclusions from, or limitations on, coverage related to foreseeable willful actions addressing conduct of the MEMBER. Any such exclusions or limitations shall be effective immediately unless subsequently rescinded by BOARD action or modified by mutual agreement. Notice to a MEMBER shall state whether a cure is believed to be possible. The MEMBER may request, in writing, a hearing before the BOARD, either by telephone or in person, within fourteen (14) days of the notice provided by the Executive Director. MEMBERS must act through their governing board. Notices of expulsion or extraordinary exclusions or limitations of coverage are subject to the Dispute Resolution Procedure set forth in Article VIII. If a decision to expel, exclude or limit is affirmed after hearing, such date of expulsion or limitation shall relate back to the date of initial decision to expel by the Executive Director or the BOARD from which the notice of intent to expel derives. The rights of any expelled MEMBER shall be as set forth in this Agreement or upon such other terms and conditions as the BOARD may negotiate with the expelled MEMBER. Nothing in any policy of insurance shall contravene provisions of this JPA respecting separation from the PROGRAM.

- (3) Any MEMBER separating from ICRMP (withdrawing or expelled) shall not be entitled to any reimbursement of contribution amounts that have been paid unless otherwise required by provisions of applicable law. All claims relating to events occurring after the date of separation from ICRMP shall become the sole responsibility of the separated Subscriber. With respect to any Claims Made coverage provided to a MEMBER, any claims occurring or reported after the date of separation from ICRMP shall become the sole responsibility of the separated MEMBER. Any MEMBER expelled from the PROGRAM by action of the Board of Trustees shall have any entitlement to liquidation value provided pursuant to this JPA

reduced by the amount of ultimate net loss that exceeds the MEMBER's contributions for the period of liquidation rights established by the terms of the JPA then in effect. Such entitlement to liquidation value shall be payable only upon actual liquidation of the PROGRAM.

- (4) As an alternative to expulsion the BOARD or Executive Director may, at any time, condition continued participation in the PROGRAM upon compliance with specific terms and conditions established by agreement between the MEMBER and ICRMP. Conditions may include consultation requirements, increased deductible amounts, increased MEMBER contributions, restriction of coverage, diminishment of coverage limits and such other limitations as the BOARD may deem reasonable to protect the resources of ICRMP as allowed by applicable law.

ARTICLE XIX. BINDING CONTRACTUAL OBLIGATION.

This document shall constitute a JPA, a binding contract, among those POLITICAL SUBDIVISIONS that are MEMBERS of ICRMP. The terms of this Agreement may be enforced in court by ICRMP itself or by any of its MEMBERS, as respects its interests, subject to the terms and conditions of applicable laws and this Agreement. The consideration for the duties herewith imposed upon the MEMBERS to take certain actions and to refrain from certain other actions is based upon the mutual promises and agreements of the MEMBERS set forth herein and the Member contributions paid by Members. This Agreement shall be deemed approved by each MEMBER by payment of the required Member contribution or by subsequent renewal pursuant to procedures specified by law, the Executive Director or the BOARD. MEMBER asserts that it has complied with relevant laws and that it waives its ability to object to the binding nature of this Agreement by virtue of informalities in its approval. Except to the extent of the financial contributions to ICRMP agreed to herein, or such additional obligations as may come about through amendments to this Agreement, no MEMBER agrees or contracts herein to be held responsible for any claims in tort or contract made against any other MEMBER. The contracting parties intend in the creation of ICRMP to establish an organization for joint risk management only within the scope herein set out, and have not herein created as between MEMBER and MEMBER any relationship of general surety or indemnitor, nor by participating herein does any MEMBER otherwise assume responsibility for the debts of or claims against any other MEMBER.

ARTICLE XX. DISTRIBUTION OF PROPERTY, FUNDS AND SUPPLIES UPON DISSOLUTION OF ICRMP.

In the event of termination of this JPA such that ICRMP is dissolved, all unused consumable supplies, non-consumable supplies or other property or assets acquired by ICRMP shall be liquidated in a manner permissible by law, and the proceeds of such liquidation shall be disbursed to the then-current MEMBERS at a rate proportionate to each MEMBER'S *pro rata* share of the cumulative Member contributions paid to ICRMP for the most recent five (5) fiscal years. Said determination of net asset distribution shall be made in good faith by the BOARD subject to application of the business judgment rule.

ARTICLE XXI. SEVERABILITY.

In the event that any Article, provision, clause or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other Articles, provisions, clauses, applications or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE XXII. POWER OF ATTORNEY - EXPENSES AND DUTIES.

- (1) To the extent required by Idaho Code Title 41, Chapter 29, and not inconsistent with applicable constitutional and statutory obligations and prerogatives, MEMBER hereby appoints Idaho Counties Risk Management Program, Underwriters (ICRMP), as its Attorney-in-Fact empowered to take all actions and execute all documents which are necessary or appropriate in carrying on the business of insurance through ICRMP on behalf of MEMBER. MEMBER agrees that the BOARD of ICRMP may delegate powers to an Executive Director in accordance with this JPA.
- (2) The Executive Director appointed by the BOARD is hereby empowered by the undersigned to accept service of process on behalf of ICRMP. The Director of the Department of Insurance of the State of Idaho is also authorized to receive service of process in actions against ICRMP upon contracts of insurance provided to Subscribers of ICRMP. Such authorization does not supersede the procedural requirements of this Agreement. The general services to be performed by the Executive Director shall include: (a) issuing, underwriting and servicing policies of insurance; (b) contracting with agents for sale and servicing of policies of insurance; (c) executing treaties of reinsurance or contracts of excess insurance; (d) providing risk management services and administering programs to diminish claims for damages and (e) supervising the investment policy of ICRMP. The Executive Director's obligations and liability shall be limited by the terms and conditions of ICRMP's JPA and by the Idaho Tort Claims Act.
- (3) The general items of expense to be paid by ICRMP shall include, but not be limited to: (a) losses and claims payments; (b) allocable claims expense; (c) governmental charges, license fees, and lawful taxes; (d) expenses incurred in auditing ICRMP's books and records; (e) contribution amount collection costs; (f) BOARD expenses; (g) premiums on reinsurance and excess insurance; (h) fees of investment counsel and direct investment expense; (i) salaries and expenses of officers and employees of ICRMP; (j) disbursement of dividends; (k) special expenses authorized by the Board of Trustees of ICRMP; (l) broker and agent commissions; (m) indemnity insurance premiums; (n) home and branch office expense; and (o) actuarial, auditing, legal, risk management and loss prevention expenses.
- (4) The Power of Attorney conveyed herein shall expire upon termination of all obligations of ICRMP. The policies of insurance issued by ICRMP are conditional upon payment of MEMBER contributions to ICRMP. The liability of each

MEMBER for the obligations of ICRMP shall be an individual, several and proportionate liability and not a joint liability. The liability of each MEMBER shall be limited as stated in this JPA provided, however, that in no event shall any MEMBER be required to contribute more than the amount authorized by applicable state statutes and constitutional provisions pursuant to which ICRMP is established.

ARTICLE XXIII. MISCELLANEOUS PROVISIONS - NOTICE.

- (1) The provisions of this Agreement shall be interpreted pursuant to the laws of the State of Idaho.
- (2) The parties hereto consent that courts in the State of Idaho shall have jurisdiction over any dispute arising under this Agreement after exhaustion of the dispute resolution procedures provided for herein. If reasonable attorney fees are incurred in enforcing provisions of this Agreement in a court of law, the prevailing party to such an action shall be entitled to reimbursement of its reasonable attorney fees.
- (3) No waiver of any breach of this Agreement or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.
- (4) In the event that any provision of this Agreement is in conflict with or is incompatible with the MEMBER'S Policy issued hereunder, the terms and conditions of the MEMBER'S Policy shall prevail and take precedence.
- (5) This Agreement may be modified or amended by a written proviso authorized by the Board. Provided, however, no such modification shall be effective retroactively, nor as to any insurance contract or coverage issued prior thereto. Said modifications may be made effective during a Policy Year only to comply with applicable laws respecting operation of ICRMP or with express consent of the MEMBER. Changes may be made to the policy of insurance issued by ICRMP at any time during the policy year in accordance with rules or statutes governing the business of insurance within the State of Idaho. If a MEMBER does not accept changes made during a policy year, its sole remedy shall be to cancel future coverage, subject to a proportionate refund of any *pro rata* MEMBER contributions already paid, less equitable commission and administrative charges.
- (6) MEMBER agrees to hold ICRMP, its employees, contractors, and/or legal counsel, harmless and without liability to MEMBER from any claims arising out of loss control or related administrative activities undertaken for Subscriber's benefit. ICRMP assumes no responsibility for the lawful operation of MEMBER'S POLITICAL SUBDIVISION. MEMBER further agrees that communications with attorneys on the ICRMP staff or retained by the PROGRAM to assist a MEMBER to

resolve or avoid claims will remain confidential pursuant to the Attorney-Client privilege and that written materials generated as a consequence of such effort to assist MEMBER shall constitute attorney work product. MEMBER further agrees that the employees, contractors and/or legal counsel of ICRMP when acting in a loss control capacity are representing ICRMP, not MEMBERS, and that information obtained in such loss control capacity may be provided to ICRMP in order to carry out the purposes of this JPA.

- (7). All notices required to be given under this Agreement shall be delivered in writing. Notices by a MEMBER to ICRMP shall be sent to ICRMP'S principal place of business. Notices to any MEMBER shall be sent to the MEMBER'S last known address. In the event that any party to this Agreement desires to change its address, notice of change of address shall be sent to the other party by United States Mail in accordance with the terms and provision of this Article. Each MEMBER of ICRMP whether by initiating membership after October 1, 2013, or by renewing membership after October 1, 2013, hereby authorizes and consents to delivery of documents between itself and ICRMP by electronic means in accordance with provisions of Idaho Code §41-1851 or its successor unless it provides written notice to ICRMP that it declines to accept delivery of documents by electronic means.
- (8) Warranty of Eligibility – Each MEMBER authorizing participation in ICRMP by approval of this Agreement and execution by an authorized official hereby warrants that it is a political subdivision of the state of Idaho as defined by the Idaho Tort Claims Act and thereby eligible to be a MEMBER of ICRMP. By such warranty each MEMBER consents to its immediate separation from ICRMP participation upon discovery that it is not a qualifying political subdivision. Each MEMBER also agrees that it will indemnify ICRMP for any loss ICRMP may suffer by virtue of the inapplicability of privileges and immunities otherwise available to political subdivisions of the state of Idaho by virtue of the mischaracterization of any MEMBER as a qualified Idaho political subdivision.
9. Procedural standards established within this JPA shall serve functions frequently fulfilled by organizational by-laws. Other procedural requirements may be established by applicable state law. Additionally, nothing contained in this JPA shall prohibit the ICRMP Board of Trustees from adopting procedural standards or guidelines for the conduct of Board business or from authorizing administrative policies to guide ICRMP's internal affairs.

ARTICLE XXIV. EXECUTION AND ATTEST.

In Witness hereof, this Agreement is executed on the ____ day of _____ 20____, by the undersigned who are duly authorized officer(s) of the Political Subdivision indicated below and by the Idaho Counties Risk Management Program, Underwriters (ICRMP), pursuant to action taken by the Governing Board of the MEMBER on the ____ day of _____ 20____ or by payment of the required Member contribution. Such payment of Member contribution, execution upon this Agreement or upon execution of a prior counterpart accompanied by continuing renewal shall constitute agreement by the POLITICAL SUBDIVISION to the terms and conditions of membership in ICRMP until proper written notice of withdrawal is provided or until a MEMBER is expelled as provided herein. An authorized signature or payment of Member contribution is required for new membership. Renewal occurs annually by issuance of a policy of insurance and payment of MEMBER CONTRIBUTION subject to the terms of the then-current JPA proffered by the ICRMP Board of Trustees in conjunction with insurance policy terms for the succeeding policy year.

POLITICAL SUBDIVISION: _____

By: _____
CHAIRMAN OF THE BOARD, MAYOR, OR OTHER
EXPRESSLY AUTHORIZED OFFICER

Title: _____

Attest/Witness: _____
CLERK OR OTHER AUTHORIZED OFFICER

ACCEPTED FOR THE IDAHO COUNTIES RISK MANAGEMENT
PROGRAM, UNDERWRITERS (ICRMP)

By: _____
EXECUTIVE DIRECTOR

----- SECTION VI – MACHINERY BREAKDOWN INSURANCE -----

<i>Insuring Agreements</i>	<i>Limit of Indemnification</i>	<i>Coverage Basis</i>	<i>Deductible</i>
1. Property Damage <i>Sublimits:</i>			The first \$500 of any loss in this section.
Off Premise Property Damage	\$100,000	Per covered occurrence.	
Data or Media (Property)	\$1,000,000	Per covered occurrence.	
Data or Media (Bus. Income & Extra Expense)	\$5,000,000	Per covered occurrence.	
Ammonia Contamination	\$1,000,000	Per covered occurrence.	
Consequential Loss	\$1,000,000	Per covered occurrence.	
Hazardous Substance	\$500,000	Per covered occurrence.	
Water Damage	\$2,500,000	Per covered occurrence.	
Fungus	\$15,000	Per covered occurrence.	
2. Expediting Expenses	\$2,500,000	Per covered occurrence.	
3. Business Income and Extra Expense	\$1,000,000	Per covered occurrence.	
4. Perishable Goods/Spoilage Damage	\$1,000,000	Per covered occurrence.	
5. Service Interruption	\$2,500,000	Per covered occurrence after 24 hour waiting period.	
6. Newly Acquired Premises	\$5,000,000	Per covered occurrence.	
7. Ordinance or Law	\$5,000,000	Per covered occurrence.	
8. Errors and Omissions	\$10,000,000	Per covered claim.	

TOTAL SECTION VI LIMIT OF INDEMNIFICATION IS \$100,000,000 PER OCCURRENCE LIMIT FOR ALL MACHINERY BREAKDOWN COVERAGES AND ALL LIMITS OF INDEMNIFICATION COMBINED FOR ALL PUBLIC ENTITY MEMBERS COLLECTIVELY.

----- SECTION VII – CRIME INSURANCE -----

<i>Insuring Agreements</i>	<i>Limit of Indemnification</i>	<i>Coverage Basis</i>	<i>Deductible</i>
1. Employee Dishonesty	\$500,000	Per covered occurrence.	The first \$500 of any loss in this section.
2. Loss Inside Premises	\$500,000	Per covered occurrence.	
3. Loss Outside Premises	\$500,000	Per covered occurrence.	

-----OCCURRENCE LIABILITY COVERAGES-----

<i>Section and/or Insuring Agreements</i>	<i>Indemnification Limit For Covered Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code</i>	<i>Indemnification Limit for All Other Covered Claims</i>	<i>Defense Cost Limit for Covered Claims</i>	<i>Coverage Basis</i>
SECTION VIII – AUTO LIABILITY				
1. <i>Automobile Liability (Outside State of Idaho)</i>	\$500,000	\$3,000,000	\$2,000,000	Per covered accident.
<i>Automobile Liability (Inside State of Idaho)</i>	\$500,000	\$500,000	Included in above	Per covered accident.
2. <i>Automobile Medical Payments</i>	\$5,000 \$100,000	\$5,000 \$100,000	Not Applicable	Each person. Each accident.
3. <i>Uninsured / Underinsured Motorists</i>	\$100,000 \$300,000	\$100,000 \$300,000	Included in above	Each person. Each accident.
SECTION IX - GENERAL LIABILITY				
1. <i>General Liability</i>	\$500,000	\$3,000,000	\$2,000,000	Per covered occurrence.
<u><i>Sublimits:</i></u>				
Sewer Backup, Mold & Fungus Abatement & Remediation	\$500,000	\$500,000	Included in above	Per covered occurrence.
Fire Suppression Liability	\$500,000	\$500,000	Included in above	Per covered occurrence.
SECTION X – LAW ENFORCEMENT LIABILITY				
1. <i>Law Enforcement Liability</i>	\$500,000	\$3,000,000	\$2,000,000	Per covered occurrence.

-----CLAIMS MADE LIABILITY COVERAGES-----

<i>Section and/or Insuring Agreements</i>	<i>Indemnification Limit For Covered Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code</i>	<i>Indemnification Limit for All Other Covered Claims</i>	<i>Defense Cost Limit for Covered Claims</i>	<i>Coverage Basis</i>
<p>SECTION XI – ERRORS & OMISSIONS LIABILITY</p> <p align="center"><u>CLAIMS MADE COVERAGE</u></p> <p>Retroactive Date: February 21, 2011</p> <p>1. <i>Errors & Omissions Liability</i></p>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
<p>SECTION XII – EMPLOYEE BENEFITS LIABILITY</p> <p align="center"><u>CLAIMS MADE COVERAGE</u></p> <p>Retroactive Date: February 21, 2011</p> <p>1. <i>Employee Benefits Liability</i></p>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
<p>SECTION XIII – EMPLOYMENT PRACTICES LIABILITY</p> <p align="center"><u>CLAIMS MADE COVERAGE</u></p> <p>Retroactive Date: February 21, 2011</p> <p>1. <i>Employment Practices Liability</i></p>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
<p>SECTION XIV – SEXUAL MOLESTATION LIABILITY</p> <p align="center"><u>CLAIMS MADE COVERAGE</u></p> <p>Retroactive Date: February 21, 2013</p> <p>1. <i>Sexual Molestation Liability</i></p>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
<p>SECTION XV – CHEMICAL SPRAYING ACTIVITIES LIABILITY</p> <p align="center"><u>CLAIMS MADE COVERAGE</u></p> <p>Retroactive Date: February 21, 2011</p> <p>1. <i>Chemical Spraying Activities Liability</i></p>	\$500,000	\$500,000	\$500,000	Per covered claim and/or in the aggregate for multiple claims.

ANNUAL INDEMNIFICATION LIMIT IN THE AGGREGATE FOR POLICY PERIOD SPECIFIED FOR SECTIONS VIII, IX, X, XI, XII, XIII, XIV, XV AND XVI COMBINED IS \$5,000,000.

ANNUAL DEFENSE COST LIMIT IN THE AGGREGATE FOR POLICY PERIOD SPECIFIED FOR SECTIONS VIII, IX, X, XI, XII, XIII, XIV, XV AND XVI COMBINED IS \$3,000,000.

SECTION XVI –ENDORSEMENTS

<i>Insuring Agreements</i>	<i>Limit of Indemnification</i>	<i>Defense Cost Limit</i>	<i>Coverage Basis and/or Aggregate</i>	<i>Deductible</i>
Accidental Discharge of Pollutants Endorsement #1	\$100,000	Not applicable	Per covered occurrence and/or in the aggregate for multiple claims.	The first \$500 of any loss for Endorsement #1.
Terrorism Insurance Physical Damage/Loss Endorsement #2	\$50,000,000	Not applicable	In the aggregate annually for all ICRMP Members Collectively in the aggregate insured by this Policy.	The first \$10,000 of any loss for Endorsement #2.
Cyber Liability Endorsement #3 <i>CLAIMS MADE COVERAGE</i> Retroactive Date: October 1, 2014	\$1,000,000	Included in limit of indemnification	Per Covered Claim and \$4,000,000 in the aggregate for multiple claims.	The first \$500 of any loss for Endorsement #3.
Public Land Fire Suppression Endorsement #4	\$500,000	Not applicable	Per covered occurrence and/or in the aggregate for multiple claims.	
Terrorism Liability Endorsement #5	\$500,000	\$500,000	Per covered occurrence and/or in the aggregate for multiple claims.	
Asbestos Remediation Endorsement #6	Included in Building Value as Listed in Schedule of Values	Not applicable	Per covered occurrence.	The first \$500 of any loss for Endorsement #7.

NOTICE RE: INSURANCE GUARANTY ASSOCIATION

As required by Article VIII, Section 4 and Article XII, section 4 of the Idaho Constitution and Idaho Code Section 41-3603(10), the ICRMP Program is not a participant in the Idaho Insurance Guaranty Association. As such, ICRMP Subscribers are not responsible for the costs of private insurer insolvencies, nor are they or claimants against them entitled to any of the protections which participation in the Guaranty Association would provide. This notice is provided in cooperation with the Idaho Insurance Guaranty Association. For additional information concerning this notice, contact the ICRMP Executive Director at 1-800-336-1985.

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DEFINED TERMS

<p>A</p> <p>Accident Section II 2</p> <p>Actual Cash Value Section V 16</p> <p>Administration Section XII 41</p> <p>Aircraft Section II 2</p> <p>Automobile Section II 2</p> <p>B</p> <p>Bodily Injury Section II 2 Section XIV 45</p> <p>Breach Response Providers Section XVI 59</p> <p>Breakdown Section VI 22</p> <p>Business Income Section VI 23</p> <p>Business Income Actual Annual Value Section VI 23</p> <p>C</p> <p>Chemical Spraying Activities Section XV 47</p> <p>Claim Section XI 39 Section XII 41 Section XIII 43 Section XIV 45 Section XV 47 Section XVI 59</p> <p>Claim Avoidance Costs Section XVI 60</p> <p>Claim Expenses Section XVI 59</p> <p>Computer Equipment Section VI 23</p> <p>Computer System Section V 16</p> <p>Confidential Business Information Section XVI 60</p> <p>Consumer Redress Amount</p>	<p>Section XVI 60</p> <p>Covered Cause of Loss Section VI 23</p> <p>Covered Equipment Section VI 23</p> <p>Covered Property Section II 2</p> <p>Cyber Extortion Expenses Section XVI 60</p> <p>Cyber Extortion Threat Section XVI 60</p> <p>Cyber Security Breach Section XVI 60</p> <p>D</p> <p>Damages Section II 2 Section XVI 61</p> <p>Data Section VI 23</p> <p>Data Breach Section XVI 61</p> <p>Data Breach Response/Crisis Management Costs Section XVI 61</p> <p>Data Recovery Expenses Section XVI 62</p> <p>Discrimination Section II 2</p> <p>Dishonest or Fraudulent Acts Section VII 28</p> <p>E</p> <p>Earth Movement Section V 16</p> <p>Employee Section VII 28</p> <p>Employee Benefit Program Section II 2</p> <p>Employment Harassment Section II 2</p> <p>Employment Sexual Harassment Section II 2</p> <p>Extra Expense Section VI 23</p>	<p>Section XVI 62</p> <p>F</p> <p>Fire Suppression Activites Section IX 35</p> <p>Fire Suppression Chemicals Section IX 35</p> <p>First Aid Section II 2</p> <p>First Made Section II 2</p> <p>First Party Costs Section XVI 62</p> <p>First Party Incident Section XVI 62</p> <p>Flood Section V 16</p> <p>Functional Replacement Cost Section V 16</p> <p>Fungi Section II 3</p> <p>H</p> <p>Hazardous Substance Section VI 23</p> <p>Hostile Fire Section IX 35</p> <p>I</p> <p>Insured Section II 3 Section IX 35 Section VIII 31 Section XI 39 Section XII 41 Section XIII 43 Section XIV 45</p> <p>Insured Automobile Section VIII 31</p> <p>J</p> <p>Jail Operations Section X 37</p> <p>L</p> <p>Loss Section XVI 62</p> <p>Loss of Business Income Section XVI 62</p>	<p>M</p> <p>Matter Section XVI 63</p> <p>Media Section X 23</p> <p>Media Wrongful Act Section XVI 63</p> <p>Medical Expenses Section VIII 31</p> <p>Merchant Service Agreement Section XVI 63</p> <p>Messenger Section VII 28</p> <p>Mobile Equipment Section II 3</p> <p>N</p> <p>Named Insured Section II 3</p> <p>Network Section XVI 63</p> <p>O</p> <p>Occupying Section VIII 31</p> <p>Occurrence Section II 3 Section XV 47</p> <p>One Breakdown Section VI 23</p> <p>Operational Disruption Expense Section V 16</p> <p>Our Section II 4</p> <p>Outsourced Provider Section XVI 63</p> <p>P</p> <p>PCI DSS Fines/Costs Section XVI 64</p> <p>PCI DSS Wrongful Act Section XVI 64</p> <p>Period of Restoration Section V 16 Section VI 24 Section XVI 63</p> <p>Personal Injury Section II 3 Section X 37</p>
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SECTION I - GENERAL INSURING AGREEMENT

- A. Unless otherwise stated in a specific section or endorsement, the following General Insuring Agreement applies to all sections of this policy.
1. Idaho Counties Risk Management Program, Underwriters (ICRMP) agrees with the **named insured** as listed in the declarations pages of this policy made a part hereof, in consideration of the payment of the member contribution and subject to the limits of indemnification, insuring agreements, conditions, exclusions and other terms of this policy, as follows:
 - a. **We** will provide the insurance described in this policy and declarations pages if **you** have paid the member contribution and have complied with all policy provisions and conditions. This policy is divided into coverage sections, some with multiple insuring agreements. The insurance set forth in this policy is subject to the limits of indemnification as indicated on the declarations pages or as set forth within the policy or any other endorsements issued during this term.
 - b. The liability insuring agreements afforded by this policy responding to covered claims for **damages** brought pursuant to Title 6, Chapter 9, Idaho Code (the Idaho Tort Claims Act) are expressly limited to five hundred thousand dollars (\$500,000) per occurrence. It is the express intent of ICRMP to limit exposure and coverage to the limit of \$500,000 per covered claim, **accident, occurrence** or loss as established by statute. Any reference to liability indemnification amounts in excess of five hundred thousand dollars (\$500,000) contained in this policy shall not apply to claims brought pursuant to the Idaho Tort Claims Act.
 - c. All limits of indemnification, including annual aggregate, are as stated in the declarations pages or within the accompanying policy.
- B. Certain provisions in this policy restrict coverage or limit damage amounts. The entire policy should be read carefully to determine **your** rights and duties, and to determine what is and is not covered.

SECTION II - GENERAL DEFINITIONS

- A. Unless otherwise stated or amended in a specific section or endorsement, the following definitions are applicable to all sections and endorsements of this policy.
1. "**Accident**" means an unexpected happening without intention or design.
 2. "**Aircraft**" means any machine capable of sustained atmospheric flight, including unmanned aerial vehicles.
 3. "**Automobile**" means a motorized land vehicle principally licensed and designed for travel on public roads. **Automobile** does not include *mobile equipment*.
 4. "**Bodily Injury**" means physical injury, sickness, disease, shock, fright, mental injury or anguish, emotional distress, or disability sustained by a natural person, including death resulting from any of these. **Bodily Injury** does not include sexual molestation.
 5. "**Covered Property**" means **your** buildings and structures, building contents, leasehold improvements, leased buildings and structures, buildings and structures in the course of construction, **automobiles** and **mobile equipment** listed on the **schedule of values**. It also means personal property of others that is in **your** care, custody or control, but only for the portion in which **you** have an insurable interest at the time of the loss.
 6. "**Damage(s)**" means monetary compensation to be awarded through judgment in a court proceeding or through settlement agreed to by **us** to compensate a claimant for harm suffered.
 7. "**Discrimination**" means any actual or alleged:
 - a. Violation of any employment discrimination law; or
 - b. Disparate treatment of, or the failure or refusal to hire a person because he or she is or claims to be a member of a class which is or is alleged to be legally protected.
 8. "**Employee Benefit Program**" means group life insurance, group accident or health insurance, or group dental, vision and hearing plans, retirement, profit sharing, unemployment insurance, or any other benefit provided that no one other than an employee of the **named insured** may subscribe to such insurance or plans and such benefits are made generally available to those employees who satisfy the plan's eligibility requirements.
 9. "**Employment Sexual Harassment**" means any actual or alleged unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature which:
 - a. Is made as a term or condition of a person's employment or advancement; or
 - b. The submission to or rejection of is used as a basis for decisions affecting that person or the purpose or effect of creating an intimidating, hostile or offensive work environment.
 10. "**Employment Harassment**" means any actual or alleged harassment, other than **Employment Sexual Harassment**, which creates a work environment that interferes with job performance, or creates an intimidating, hostile or offensive work environment.
 11. "**First Aid**" means the rendering of emergency medical treatment at the time of an accident and only when other licensed medical professional care is not immediately available.
 12. "**First Made**" means when **you** first give written notice to **us** that a claim has been made against **you**, but not later than the end of this policy period or any extended reporting period **we** provide. Reports of incidents or circumstances made by **you** to **us** as part of risk management or loss control services shall not be considered notice of a claim.

13. “**Fungi**” means any organism of the plant kingdom Fungi, which lacks chlorophyll and vascular tissue, including but not limited to, yeast, mold, mildew, rust, smut, mushrooms, spores, mycotoxins, or any other substances, odors, or byproducts arising out of the current or past presence of fungi.
14. “**Insured**” means:
 - a. The **Named Insured**,
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor.
15. “**Mobile Equipment**” means equipment that is on wheels or tracks and is not licensed or principally designed for travel on public roads and is self-propelled or specifically designed to be attached to or pulled by a vehicle such as a trailer or semi-trailer and identified in **your schedule of values**. It also includes watercraft fifty (50) feet and under in length identified in **your schedule of values**.
16. “**Named Insured**” means the public entity identified in the declarations pages of this policy.
17. “**Occurrence**” means an **accident** or a continuous or repeated exposure to conditions which result in **personal injury** or **property damage** during the policy period. All **personal injury** to one or more persons and/or **property damage** arising out of an **accident** or a continuous or repeated exposure to conditions shall be deemed one **occurrence**.
18. “**Personal Injury**” means **bodily injury**, mental anguish, shock, sickness, disease, disability, wrongful eviction, malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character, piracy and any infringement of copyright of property, erroneous service of civil papers, assault and battery and disparagement of property.
19. “**Pollutant(s)**” means:
 - a. Those materials that can cause or threaten damage to human health or human welfare or cause or threaten damage, deterioration, loss of value, marketability or loss of use to property;
 - b. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals and waste, including debris and trash and materials to be recycled, reconditioned or reclaimed;
 - c. Bacteria, **fungi**, mold, mildew, virus, silica, or hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, Toxic Substances Control Act or as designated by the U.S. Environmental Protection Agency or any other governing authority.
20. “**Premises**” means any real property or land possessed and controlled by **you** in **your** capacity as a possessor.
21. “**Property Damage**” means physical damage to or destruction of tangible property, including loss of use resulting from such physical damage or destruction.
22. “**Retaliation**” means any actual or alleged wrongful termination or other adverse employment action by any **insured** against a person or persons on account of:
 - a. Assistance, testimony or cooperation with a proceeding or investigation regarding alleged violations of law.
 - b. Exercise or attempted exercise of rights protected by law;
 - c. Disclosure or threat to disclose to a superior or to any governmental agency alleged violations of the law; or

- d. Refusal to violate any law.
23. "**Schedule of Values**" means those records describing **covered property** as entered into the ICRMP database by the member's agent and kept on file with **us**. Items included in the **schedule of values**, but excluded by textual provisions in this policy are not covered hereby.
24. "**Terrorism**" means an act that:
- a. is dangerous to human life, property or infrastructure; and
 - b. results in damage within **our** coverage territory; and
 - c. is committed by an individual(s) as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States, state or local government by coercion.
25. "**We**", "**Us**" and "**Our**" means Idaho Counties Risk Management Program, Underwriters (ICRMP).
26. "**Wrongful Act**" means the actual or alleged negligent performance of a legal duty or responsibility or failure to perform a legal duty or responsibility, or any error, misstatement, act or omission respectively by **you**, performed in a tortious manner pursuant to the Idaho Tort Claims Act or unlawful violations of civil rights pursuant to Federal law arising out of public office or position. **Wrongful act** is not a **wrongful employment practice**, as defined elsewhere in this policy.
27. "**Wrongful Employment Practice Act**" means any actual or alleged employment-related act or omission in the form of one or more of the following:
- a. **Discrimination**;
 - b. Employment-related libel, slander, defamation;
 - c. **Employment sexual harassment** or **employment harassment**;
 - d. Negligent hiring, supervision, training or retention.
 - e. **Retaliation**;
 - f. Violation of the Family Medical Leave Act;
 - g. Wrongful discipline, deprivation of career opportunity; or evaluation;
 - h. Wrongful termination.
28. "**You**" and "**Your**" means the **named insured** identified in the declarations pages of this policy.

SECTION III – GENERAL CONDITIONS

- A. Unless otherwise stated in a specific section or endorsement, the following conditions are applicable to all sections and endorsements of this policy.
1. **Apportionment.** In the event a suit alleges a claim which is covered by the terms of this policy and a claim which is not covered by the terms of this policy, **our** obligation for the costs of defense and payment of any award or settlement for **damages** shall be limited to only those sums related to a covered claim.
 2. **Assignment.** **Your** interests in this insurance may not be assigned.
 3. **Bankruptcy and Insolvency.** In the event of bankruptcy or insolvency of **you** or any entity comprising **you, we** shall not be relieved of the payment of any claim by **you** or against **you** or the liquidator, receiver or statutory successor of **you** under this policy without diminution because of **your** insolvency provided that **you** have timely paid **your** member contributions.
 4. **Concealment or Fraud.** This policy or any part hereof, is void if it was obtained by misrepresentation, fraud or concealment of material facts by **you** before or after loss.
 5. **Currency.** The member contribution and losses under this insurance are payable in currency of the United States.
 6. **Declarations.** By acceptance of this policy **you** agree that the declarations pages accurately indicate the coverages **you** have purchased.
 7. **Defense of Claims or Suit.** **We** may investigate or settle any covered claim or suit against **you**. **We** will provide a defense with counsel of **our** choice, at **our** expense, if **you** are sued for a covered claim.
 - a. With respect to claims or suits involving section VIII – Automobile Liability Insurance, section IX – General Liability Insurance, section X – Law Enforcement Liability Insurance, section XI – Errors and Omissions Insurance, section XII – Employee Benefits Liability Insurance, section XIII – Employment Practices Liability Insurance, section XIV – Sexual Molestation Liability Insurance, section XV – Chemical Spraying Activities Liability Insurance, and including section XVI – Endorsements, the maximum defense costs **we** will incur shall not exceed \$2,000,000 per covered claim, subject to a total \$3,000,000 limit in the aggregate for all sections above combined for all covered claims that are subject to this policy's policy period. The "per covered claim", "per covered occurrence", or "per covered accident" defense costs amount is the most **we** will incur regardless of whether one or more of the above referenced sections are involved in a single claim, and is in addition to the limits of indemnification shown in the declarations pages. **Our** obligation to defend any claim or suit ends when either:
 - (1) The amount of loss or **damages we** pay equals the limit(s) of indemnification afforded under this policy, or
 - (2) The defense costs incurred by **us** equal \$2,000,000 per covered claim or the defense costs incurred by **us** equal \$3,000,000 in the aggregate for the policy period.
 8. **Dispute Resolution Procedure.** **You** and **we** agree that it is in **our** mutual interest to have a dispute resolution procedure in order to address potential disputes and disagreements as to whether or not a claim is covered by the terms and conditions of this policy. **You** and **we** agree that the dispute resolution procedure as set out in the Joint Powers Subscriber Agreement currently in force as of the effective date of this policy shall apply to address any potential disputes and disagreements as to coverage.
 - a. Inapplicable to Certain Disputes and Disagreements:
 - (1) These dispute resolution procedures do not apply to the appraisal condition set forth in the specific conditions applicable to the property Insuring Agreements in section V of this policy, or to the arbitration condition set forth in the specific conditions applicable to the automobile liability Insuring Agreements set out in section VI of this policy.

- (2) These dispute resolution procedures do not apply in any way to **our** decisions regarding terms of claim settlement, claim payment amount, or the claim investigation process.
9. **Duties After Occurrence, Accident, Wrongful Act, Wrongful Employment Practice, Claim or Suit.**
- a. **You** must see to it that **we** are notified as soon as practicable of an **occurrence** which may reasonably result in a claim. To the extent possible, notice should include:
- (1) How, when and where the **occurrence, claim, accident, wrongful act, wrongful employment practice** or suit took place,
 - (2) The names, addresses and telephone numbers of any injured persons and witnesses,
 - (3) The nature and location of any injury or damage arising out of the **occurrence, accident, wrongful act, wrongful employment practice, claim** or suit.
- b. If a claim is made or suit is brought against any **insured, you** and any involved **insured** must:
- (1) Immediately send **us** copies of any claims, demands, notices, summonses or legal papers received in connection with the claim, **occurrence, accident, wrongful act, wrongful employment practice, claim** or suit,
 - (2) See that **we** receive written notice of the claim or suit as soon as practicable,
 - (3) Authorize **us** to obtain records and other information, and provide a sworn statement, if requested,
 - (4) Cooperate with **us** in the investigation, or defense of the claim or suit, including but not limited to, attendance at hearings and trials, securing and giving evidence, and obtaining the attendance of witnesses,
 - (5) Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to **you** because of injury or damage to which this Insurance may also apply,
- c. **You** shall not, except at **your** own risk, voluntarily make a payment, assume any obligation, or incur any expense, other than for **first aid**, without **our** consent,
- d. **Your** failure to comply with the foregoing duties shall constitute a material breach deemed prejudicial to **us**, thereby entitling **us** to refuse any coverage for the **occurrence, accident, wrongful act, wrongful employment practice, claim** or suit; or any duties arising therefrom,
- e. Reports of incidents or circumstances made by **you** to **us** as part of risk management or loss control services shall not be considered notice of a claim.
10. **Entire Agreement.** This policy, when read in concert with the Joint Powers Subscriber Agreement, embodies the entirety of the agreement existing between **you** and **us** relating to this Insurance. **You** acknowledge that the independent insurance agent responsible for maintaining information about **your** insurance needs has no power to bind ICRMP to provide insurance beyond that expressed in this policy, its endorsements, and its attendant declarations pages.
11. **Extended Reporting Periods.** All coverage sections designated as claims-made are conditioned as follows if this policy is cancelled or not renewed for any reason, other than for non-payment of member contribution or non-compliance with the terms and conditions of this policy:
- a. If **you** are expelled from ICRMP, or have elected to withdraw from ICRMP and are in good standing as a Member, as set forth in section III – General Conditions, Item 26, **we** will extend an Extended Reporting Period of thirty (30) days duration following immediately upon the effective date of expulsion or withdrawal, to apply to a **claim** brought forth under the applicable coverage section which is **first made** against **you** in writing to **us** but only by reason of a **wrongful act** or **wrongful employment**

practice act which first commences and was sustained subsequent on or after the retroactive date set forth in the declarations pages and prior to the effective date of this policy's cancellation or termination, and which is otherwise afforded by all coverages within this policy.

- b. If, however, this policy is immediately succeeded by a similar claims-made insurance policy with any insurer, in which the retroactive date is the same as or earlier than that shown in the declarations pages of this policy, the succeeding policy shall be deemed to be a replacement of this policy, and the extended reporting period will not apply.
 - c. The extended reporting period does not reinstate or increase the limit(s) of indemnification applicable to any coverages of this policy. Once in effect, an extended reporting period cannot be canceled.
12. **False or Fraudulent Claims.** If **you** make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this policy may become void and all claims hereunder may be forfeited.
 13. **Inspections, Audit and Verification of Values.** **We** shall be permitted, but not obligated, to review or inspect **your** property, operations, records, and books, at any reasonable time. Neither **our** right to make inspections or conduct reviews, nor the making thereof, nor any report thereon, shall constitute an undertaking on behalf of or for the benefit of **you** or others, to determine or warrant that such property or operations are safe or that the values stated by **you** in **your** application are accurate. It is **your** responsibility to disclose accurate statements of value.
 14. **Loss Payments.** When it has been determined that **we** are liable under this policy, **we** shall pay losses in excess of the stated deductible up to the limits of indemnification stated in the declarations pages. **Our** obligation to make loss payments shall arise as amounts owed are determined.
 15. **Mitigation.** In the event of a loss covered under this policy, **you** must take all reasonable steps to prevent further loss or damage.
 16. **Multiple Insureds, Claims or Claimants.** To the extent that coverage may be applicable to two or more Insuring Agreements in any section or two or more coverage sections, or inclusion herein of more than one **insured** or the making of more than one **claim**, one **occurrence**, **wrongful act** or **wrongful employment practice act** or the bringing of suits by more than one person or organization shall not operate to increase **our** limits of indemnification as stated in the declarations pages. Further, two or more claims arising out of a single **occurrence**, **wrongful act** or **wrongful employment practice act** or series of related **occurrences**, **wrongful acts** or **wrongful employment practice acts** shall be treated as a single **occurrence**, **wrongful act** or **wrongful employment practice act**. All claims made designated coverages for claims, whenever made, shall be considered **first made** against an **insured** during the policy period or any extended reporting period, in which the earliest claim arising out of such **wrongful act** or **wrongful employment practice act**, or series of related **wrongful acts** or **wrongful employment practice acts** was **first made** and all such **claims** shall be subject to the same limits of indemnification.
 17. **No Benefit to Bailee.** **We** will not recognize any assignment or grant any coverage for the benefit of any person, entity, or organization holding, storing or transporting **your** property, regardless of any other provision of this policy.
 18. **Non-Stacking of Insurance Benefits.** No individual or entity entitled to coverage under any section of this policy shall recover duplicate coverages for the same elements of loss under other sections of this policy, or other policies written by **us**. Any claim which transcends more than one policy period shall be subject to the policy limits set forth in the declarations pages of the policy which covers the date of the earliest actionable event, which gives rise to the claim.
 19. **Non-Stacking of Limits - Multiple Sections of this Policy or Multiple Insuring Agreements within each Section Involved in a Single Event.** If any **occurrence**, **accident**, **claim**, **wrongful act** or **wrongful employment practice** or other loss covered in whole or in part under any section that also constitutes any **occurrence**, **accident**, **claim**, **wrongful act**, **wrongful employment practice** or loss is covered in whole or in part under any other section or any combination of two or more of the coverage sections itemized previously, or any events subject to multiple insuring agreements within each section, shall be limited to coverage limits allowed by the section of the policy with the higher limit for the per occurrence, per accident or per claim(s) limit(s) of indemnification as shown in the declarations pages,

and its corresponding deductible shall be the sole limit applicable to the multiple **occurrences, accidents,** claims or losses addressed. If the per occurrence, per accident and per claim(s) limit(s) of indemnification as shown in the declarations pages are equal, only one limit will still apply and it will be the limit of indemnification and its corresponding deductible, if any, applicable to the section deemed by **us** to be providing the primary coverage for the **claim, accident, wrongful act, wrongful employment practice, occurrence** or other covered loss.

20. Notice of Member Contribution or Coverage Changes.

- a. **We** will mail or deliver to **you**, at the last known mailing address, written notice of the following for a subsequent year at least thirty (30) days prior to the expiration date of this policy:
 - (1) A total member contribution increase greater than ten percent (10%) which is the result of a comparable increase in member contribution rates.
 - (2) Changes in deductibles.
 - (3) Reductions in limits of indemnification.
 - (4) Reductions in coverage.
- b. If **we** fail to provide at least thirty (30) day notice, the policy previously provided to **you** shall remain in effect until thirty (30) days after such notice is given or until the effective date of a replacement policy or self-insurance obtained by **you**, whichever occurs first.
- c. For purposes of this provision, notice is considered given on the date of mailing of the notice to **you**. Proof of mailing of conditions of renewal to the last known mailing address of **you** shall be sufficient proof of notice.

21. Other Insurance. If **you** have other insurance (whether primary, excess or contingent), against loss covered by this Insurance, **we** shall be liable, under the terms of this insurance, only as excess of other valid and collectible insurance. Notwithstanding the foregoing, **you** may purchase insurance specifically in excess of this insurance. Such excess insurance shall not be considered "other insurance" for purposes of this condition.

22. Reporting Property on Your Schedule of Values. Coverage is conditioned upon information being entered into the online ICRMP e-Agent website by **your** agent. It is the responsibility of the independent insurance agent to enter information into the online ICRMP e-Agent website. It is the responsibility of **you** to report the required information to **your** agent.

23. Salvage. The salvage value of **your** damaged property may be credited against the amount **we** pay to replace **your** damaged property if **you** retain said property.

24. Subrogation/Recovery/Right of Reimbursement. If **we** make payment under this policy to **you** or on **your** behalf, and **you** or the person or entity for whom payment was made has a right to recover damages, **we** will be subrogated to that right. **You** must do whatever is necessary to enable **us** to exercise **our** rights and must do nothing before or after the loss to prejudice **our** rights. **We** may prosecute an action or pursue other lawful proceedings in **your** name for the recovery of these payments, and **you** must cooperate and assist **us** at **our** request. Recoveries received for payments **we** have paid on **your** behalf including both indemnity payments and expenses **we** have incurred in handling **your** claim, will be reimbursed on a pro-rata recovery basis between **you** and **us**, upon closing of the claim.

25. Suit Against Us. No action shall be brought against **us** by **you** unless there has been full compliance with all pertinent provisions of this policy and the ICRMP Joint Powers Subscriber Agreement. No one shall have any right to join **us** as a party to any action against an **insured**.

26. Termination of Insurance Coverage by Member Withdrawal or Expulsion. This insurance may be terminated by **you** by sending a written request of withdrawal to **us**. The effective termination date will be the date of termination **you** request, or the date **we** received **your** notice of withdrawal, whichever is later. This insurance is available only through faithful participation as a member of ICRMP. **You** may be

expelled from ICRMP pursuant to the terms and conditions set forth in the Joint Powers Subscriber Agreement effective as of the date of this policy. If **you** are expelled from ICRMP, all insurance pursuant to this policy is terminated immediately upon transmittal of notice of expulsion, or otherwise as soon as allowed by law.

27. **Terms of Policy to Conform to Statutes.** In the event any terms of this policy are determined to be in conflict with the statutes of the State of Idaho, they are hereby amended to conform to such statutes.
28. **Territory.** The insurance provided by this policy applies to any covered claim or lawsuit filed and maintained only within the fifty (50) states, including the District of Columbia, of the United States of America, for all coverage sections.

SECTION IV - GENERAL EXCLUSIONS

- A. Unless otherwise stated in the specific coverage section, these exclusions are applicable to all sections of this policy. This policy does not cover in whole or in part, arising directly or indirectly out of, or resulting from any **personal injury, bodily injury, damages**, claim, **property damage**, damage to **covered property, wrongful act, wrongful employment practice act**, cost, expense or any other type of loss, however characterized for:
1. **Aircraft.** This policy does not cover any claim resulting from or arising out of the ownership, maintenance, use or entrustment to others of any **aircraft**, airfields, runways, or fueling stations related to aviation activities.
 2. **Asbestos.** This policy does not cover any claim caused by or contributed to by:
 - a. The use of, sale of, installation of, removal of, abatement of, distribution of, containment of, or exposure to asbestos, asbestos products, asbestos-containing material, asbestos fibers, or asbestos dust;
 - b. The actual or threatened abatement, mitigation, removal or disposal of asbestos, asbestos products, asbestos-containing material, asbestos fibers, or asbestos dust;
 - c. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts (a) and (b) above; or
 - d. Any obligation of the covered party to indemnify or contribute with any party in connection with subparagraphs (a), (b) or (c) above.
 3. **Bids or Estimates.** This policy does not cover any claim arising out of estimates of probable costs, or cost estimates being exceeded, or for faulty preparation of bid specifications or plans.
 4. **Civil and Criminal Penalties.** This policy does not cover any claim resulting from any civil penalties, criminal penalties, fines or obligations to pay for public services rendered where such obligation is imposed or provided for pursuant to any federal, state, or local law, statute, ordinance, or regulation, however characterized, except as expressly provided elsewhere, herein.
 5. **Claims by Members against Past or Present Public Officials.** This policy does not cover the interest of any past or present employee, elected official, or agent arising out of any claim for money **damages**, monetary reimbursement or specific performance brought against such employee, elected official or agent by the **named insured** by whom the public official, employee, elected official or agent was employed or retained. Also excluded are those claims brought by an elected official, or by one appointed to fill an elected position for a **named insured** against another official of the same **named insured**, or the **named insured** itself, arising out of a dispute or interpretation involving the relative governmental authority of the elected officials of the **named insured**.
 6. **Contractual Liability.** This policy does not cover a claim where the alleged harm for which compensation is sought derives from:
 - a. The performance or nonperformance of terms of a contract, whether written, oral or implied, or concerns the measure of payment related to contract performance, derives from fines, penalties or administrative sanctions imposed by a governmental agency, or is generated by intergovernmental determination, calculation, handling or allocation of funds according to the law. The claim(s) for which this policy provides defense and indemnification must arise out of conduct of a tortious nature or be premised upon allegations of unlawful violation of civil rights pursuant to state or federal law.
 - b. The interests of the State of Idaho or the United States Government, or their officers, agents, employees, volunteers, officials or trustees, for their conduct and activities arising out of or in any way related to any written, oral or implied contract or agreement with **you**, or otherwise. Each governmental entity shall be responsible for its own conduct and activities under any contract.

7. **Course and Scope.** This policy does not cover any claim resulting from an act or omission outside the course and scope of employment or any act performed with malice or criminal intent. This exclusion applies regardless of whether any **insured** is actually charged with, or convicted of, a crime.
8. **Cyber Liability.** This policy does not cover any claim, notification costs, **credit monitoring expenses**, forensic expenses, loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data; public relations expenses or any other loss; costs or expenses arising directly or indirectly out of, resulting from, caused by or contributed to by losses related to computer-connected access to and/or computer disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information, except for that data that is required to be disclosed under the Idaho Public Records Act.
9. **Eminent Domain.** This policy does not cover any claim arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings, inverse condemnation, annexation, regulatory takings, land use regulation, or planning and zoning activities or proceedings, however any such matters may be characterized, whether such liability accrues directly against **you** or by virtue of any agreement entered into by or on **your** behalf
10. **Employee Benefits.** This policy does not cover any employee benefit related claim:
 - a. Arising directly or indirectly out of the failure of any investment in or by any **employee benefit program** including but not limited to stocks, bonds, or mutual funds to perform as represented by an **insured** or by any party authorized by an **insured** to offer benefits to employees.
 - b. Arising directly or indirectly out of the negligence, financial failure or breach of contract by any health or employee benefit provider that the **named insured** contracts with to provide employee benefits.
 - c. Based upon an **insured's** failure to comply with any law concerning worker's compensation, unemployment insurance, social security, or disability benefits.
 - d. Arising out of an insufficiency of funds to meet any obligations under any plan included in the **employee benefit program**.
 - e. For benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **insured**, from the applicable funds accrued or other collectible insurance.
 - f. For errors in providing information on past performance of investment vehicles or advice given by an **insured** to participate or not to participate in or by any **employee benefit program**.
 - g. Arising directly or indirectly out of insolvency, poor performance, misrepresentation, or any other wrongful conduct of any **employee benefit program** provider.
 - h. For which any **insured** is liable because of liability imposed on a fiduciary by the Employee Retirement Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.
11. **Employee Defendants in Criminal Actions.** This policy does not cover any obligation of a **named insured** to make payments pursuant to Idaho Code § 6-610A, which provides for the payment of defense costs on behalf of certain employees of governmental entities who are named as defendants in a criminal action.
12. **Fungi.** This policy does not cover any claim caused by or contributed to by:
 - a. Any fungus(i) or spore(s);
 - b. Any solid, liquid, vapor, or gas produced by or arising out of any fungus(i) or spore(s);

- c. Any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(i) or spore(s);
 - d. Any intrusion, leakage, or accumulation of water or any other liquid that contains, harbors, nurtures or acts as a medium for fungus(i) or spore(s);
 - e. The actual or threatened abatement, mitigation, removal or disposal of fungus(i) or spore(s) or any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(i) or spore(s);
 - f. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with subparagraphs (a) through (e) above; or
 - g. Any obligation to indemnify or contribute with any party in connection with subparagraphs (a) through (f) above. For the purpose of this exclusion fungus(i) includes, but is not limited to, any form or type of mold, mushroom or mildew and spore(s) include any reproductive body produced by or arising out of any fungus(i).
13. **Limits on Defense of Claims or Suit.** Notwithstanding any other provision of this policy, **we** will have no duty to investigate or defend any claim, suit, dispute, disagreement or other proceeding seeking relief or redress in any form other than money **damages**, including but not limited to costs, fees, fines, penalties or expenses which any **insured** may become obligated to pay as a result of a consent decree, settlement, adverse judgment for declaratory relief or injunctive relief. Such denial of investigation or defense includes, but shall not be limited to any claim, suit, dispute, disagreement or other proceeding:
- a. By or on behalf of any **named insured**, whether directly or derivatively, against:
 - (1.) Any other **named insured**; or
 - (2.) Any other federal, state or local governmental entity or political subdivision.
 - b. By the spouse, child, parent, brother, or sister of any **insured** for consequential injury as a result of any injury to an **insured**; or
 - c. Involving any intergovernmental agreement(s) where any **named insured** is a party to the agreement(s).
14. **Incidental Medical Liability.** This policy does not cover any claim arising out of the rendering of or failure to rendering of or failure to render the following professional health care services:
- a. Medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
 - b. Any professional medical service(s) by a physician, except supervisory physicians as defined by Idaho Code § 6-902A (2) (b), and only when performing those duties as outlined in Idaho Code § 6-902A (2) (a).; or
 - c. Any professional medical service(s) by a physician's assistant, nurse practitioner or nurse; or
 - d. Furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.
15. **Intentional Acts.** This policy does not cover any claim resulting from an act or omission intended or expected or deliberated on from the standpoint of any **insured** to cause **personal injury, bodily injury** or **property damage** to others or damage to **covered property**. This exclusion applies even if the **personal injury, bodily injury** or **property damage** is of a different kind or degree, or is sustained by a different person or property, than that intended or expected or deliberated on. This exclusion shall not apply to a claim resulting from the use of reasonable force to protect persons or property, or in the performance of a duty of the **insured**.

16. **Intergovernmental Claims.** This policy does not cover any claim alleging loss or damage, arising or in any way related to a dispute or disagreement between an ICRMP member and another governmental entity, including another political subdivision, a state or the government of the United States involving any of the following:
 - a. Claims of loss or damage between an ICRMP member and another governmental entity wherein there has been no accident or allegation of actual ***bodily injury*** or property damage.
 - b. The respective authority of public agencies to use governmental powers, irrespective of the style or nature of such claim.
 - c. The respective duty of public agencies to use governmental powers, irrespective of the style or nature of such claim.
 - d. Intergovernmental disputes or disagreements concerning the exercise of powers or acceptance or assignment of duties by governmental entities to carry out public activities whether ***damages*** are claimed as a result of such dispute or disagreement, or not.
 - e. Claims in any way related to allocation of financial responsibilities between or among public agencies.
17. **Investigatory, Disciplinary or Criminal Proceedings.** This policy does not cover any claim arising from any investigatory, disciplinary or criminal proceeding against an ***insured***, except that ***we*** may at ***our*** own option, associate counsel in the defense of any such investigatory, administrative or disciplinary proceeding. Should ***we*** elect to associate counsel, such election shall not constitute a waiver or estoppel of any rights ***we*** may have pursuant to the terms, conditions, exclusions, and limitations of this policy.
18. **Lead.** This policy does not cover any claim caused by or contributed to by lead as described in parts (a) through (d) below:
 - a. ***Bodily injury, property damage*** or ***personal injury*** arising out of, resulting from, caused by or contributed to by the toxic or pathological properties of lead, lead compounds or lead contained in any materials;
 - b. Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
 - c. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts (a) or (b) of this subsection above; or
 - d. Any obligation to share ***damages*** with or repay someone else who must pay ***damages*** in connection with parts (a), (b) or (c) of this subsection.
19. **Miscalculation or Legality of Assessments.** This policy does not cover any claim involving miscalculation or legality of assessments, adjustments, disbursements, fees, licenses or the collection of taxes, fines, penalties, including those imposed under the Internal Revenue Code or any state or local law, however described.
20. **Nuclear, Chemical and Biological Incident.** This policy does not cover a claim arising from:
 - a. Nuclear detonation, reaction, radiation, radioactive contamination or hazardous properties of nuclear material of any type, however caused or characterized, including any loss or damage by fire resulting therefrom;
 - b. The dispersal, application or release of, or exposure to, chemical or biological materials or agents that are harmful to property or human health, whether controlled or uncontrolled, or due to any act or condition incidental to any of the foregoing, whether such loss be proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this policy, however such dispersal, application, release or exposure may have been caused.

21. **Opinion, Treatment, Consultation or Service.** This policy does not cover any claim based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service, if such opinion, treatment, consultation or service was rendered or failed to have been rendered while any **insured** was engaged in any activity for which they received compensation from any source other than as a public entity or an employee of a public entity.
22. **Pollution.** This is an absolute pollution exclusion. It is the intention of **you** and **we** that there is absolutely no coverage arising out of or relating to **pollutants**, however characterized or defined. This policy does not cover any injury, loss, damage, costs, fines, penalties, or expenses of any kind directly or indirectly arising out of the actual, alleged or threatened existence, discharge, dispersal, release or escape of **pollutants** or negligence in any way related thereto:
- a. At or from **premises you** now, or in the past, have owned, rented, or occupied, including but not limited to **premises** that **you** have operated or managed as an involuntary possessor;
 - b. At or from any site or location used by or for **you** or others for the handling, storage, disposal, processing or treatment of waste at any time;
 - c. That at any time involves the transportation, handling, storage, treatment, disposal, or processing by or for **you** or any person or organization for whom **you** may be legally responsible:
 - (1) At or from any site or location on which **you** or any contractors or subcontractors working directly or indirectly on **your** behalf are performing operations;
 - (2) If the **pollutants** are brought on or to the site or location in connection with such operations;
 - (3) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**;
 - d. Whether caused or alleged to have been caused by the **named insured** or any other person, entity, or third-party, however characterized;
 - e. Arising out of any direction, request, or order of any governmental agency, court of law, or other authority, that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**, including any and all costs or attorney's fees associated therewith;
 - f. Arising out of the failure of the **named insured** to prevent or regulate **pollutants** generated or caused by any other person, entity, or third-party, however characterized.
 - g. This exclusion shall not apply to tear gas or mace as applied by law enforcement personnel within the scope of their duties.
23. **Professional Board.** This policy does not cover any claim for any **insured** arising out of the rendering of or failure to render services as a member of a formal accreditation or similar board or committee of an **insured**, or as a person charged with the duty of executing directives of any such board or committee or officer or director, or other official of any organization, other than the **named insured**. This exclusion does not apply if an **insured** is serving at the direction of or on behalf of the **named insured**, and is acting within the scope of their duties as such.
24. **Punitive Damages.** This policy does not cover any claim for exemplary or punitive **damages**, however characterized.
25. **Silica.** This policy does not cover any claim caused by or contributed to by silica as described in paragraphs (a) and (b) below:
- a. **Bodily injury, property damage, or personal injury** arising out of, resulting from, caused by, or contributed to by silica, exposure to silica or the use of silica, except for road or pedestrian way maintenance applications or operations;
 - b. Any **damages**, loss, cost or expense arising out of any:

- (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or
 - (2) request, demand, order or statutory or regulatory requirement that any covered party or any other person or entity should be, or should be responsible for:
 - (i) Assessing the presence, absence or amount or effects of silica;
 - (ii) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
 - (iii) Responding to silica in any way other than as described in (a) and (b) above;
 - (3) supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the paragraphs (a) or (b) above; or
 - (4) obligation to share **damages** with or repay someone else in connection with any of the provisions of paragraphs (a) or (b) above.
26. **Terrorism.** This policy does not cover any claim by, though, or as a consequence of acts of **terrorism**, whether followed by fire or other perils, and whether certified as **terrorism** or not by the United States government.
27. **Wages.** This policy does not cover any claim for back wages or legal penalties to which an employee is lawfully entitled for work performed, including any claim for wages, **damages**, liquidated damages or any other form of compensation, however characterized, pursuant to, or derived in any way, from an employer's responsibility to comply with the Fair Labor Standards Act or other state or federal statute directing the manner or amount of payment of compensation to employees.
28. **War or Civil Disturbance.** This policy does not cover any claim by, happening through or as a consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities whether war be declared or not, civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority unless such acts of destruction by order of civil authority are at the time of and for the purpose of preventing spread of fire; or claims or liability arising directly or indirectly from nuclear fission, nuclear fusion or radioactive contamination.
29. **Watercraft.** This policy does not cover any claim involving the ownership, maintenance or use, including loading and unloading, of watercraft over fifty (50) feet in length.
30. **Workers' Compensation and Other Benefits Laws.** This policy does not cover any claim to any obligation for which **you** may be held liable under any workers' compensation, unemployment compensation, disability benefits law, employer's liability, or under any similar federal, state or local law, ordinance, rule or regulation, however characterized, as well as any **claim** or **suit** by a spouse, child, parent, or sibling of an **insured** as a consequence of **personal injury** to an **insured**.

SECTION V – PROPERTY INSURANCE

A. Insuring Agreements Applicable to Property Insurance

1. **Buildings, Structures, and Property.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay **you**, or on **your** behalf, for direct accidental physical loss of or direct accidental physical damage to **your covered property**, during the policy period specified in the declaration pages.
2. **Mobile Equipment and Automobile Physical Damage.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay **you**, or on **your** behalf, for direct accidental physical loss of or direct accidental physical damage to any **automobile or mobile equipment** owned by **you**, or any **automobile or mobile equipment** for which **you** have an obligation to provide adequate insurance because of an ownership or possessory interest during the policy period specified in the declaration pages.

B. Definitions Applicable to Property Insuring Agreements

1. **"Actual Cash Value"** means the cost of replacing damaged or destroyed property with comparable new property, minus depreciation and obsolescence.
2. **"Computer System"** means a system of computer hardware, software, and associated electronic devices that **you** operate or own.
3. **"Earth Movement"** any natural or man-made earth movement, earthquakes, seaquakes, shocks, tremors, seismic events, landslides, submarine landslides, avalanches, subsidence, sinkhole collapse, mud flow, rock fall, volcano, lava flow or any other similar earth movement, sinking, rising or shifting
4. **"Flood"** means a temporary condition of partial or complete inundation of normally dry land from:
 - a. The overflow of inland or tidal waters outside the normal watercourse or natural boundaries;
 - b. The overflow, release, rising, backup, runoff or surge of surface water; or
 - c. The unusual or rapid accumulation or runoff of surface water from any source.
5. **"Functional Replacement Cost"** means the cost of replacing damaged property with similar property that will perform the same function but may not be identical to the damaged property.
6. **"Operational Disruption Expense"** means costs incurred by the **named insured** in order to continue as nearly as practicable the normal operation of **your** public entity immediately following a covered loss. This includes the loss of any income, net of expenses, incurred during the **period of restoration** of the operation of the public entity.
7. **"Period of Restoration"** means that period of time that begins with the date of the direct physical loss of or direct physical damage to **covered property** and ends with the date when such part of the **covered property** as has been lost or damaged could, with the exercise of **your** due diligence or dispatch, be rebuilt, or replaced.
8. **"Replacement Cost"** means the cost to repair, rebuild or replace with new materials of like kind, size and quality, without deduction for depreciation.

C. Specific Conditions Applicable to Property Insuring Agreements

1. **Appraisal.** If **you** and **we** fail to agree on the amount of loss, either one can demand that the amount of loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, independent appraiser, and notify the other of the appraiser's identity within twenty-one (21) days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within fourteen (14) days, **you** or **we** can ask a district judge in the State of Idaho to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within fourteen (14) days, they shall submit their differences to the umpire. Written agreements signed by any two of

these three shall set the amount of the loss within seven (7) days. Any such decision resulting from the appraisal process shall be final and binding upon **you** and **us**, and shall not be subject to judicial review or appeal, except upon a showing of fraud, misrepresentation or other undue means. Each appraiser, and related expenses, shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation and expenses of the umpire shall be shared equally by **you** and **us**.

2. **Automobiles and Mobile Equipment that are Leased or Rented.** **Automobiles** and **mobile equipment** that are temporarily leased or rented to an **insured**, for less than ninety (90) days, and used for official business, are covered under Insuring Agreement 2, and are not required to be listed on the **schedule of values**.
3. **Automobiles Owned by Employees or Authorized Volunteers.** **Automobiles** owned by employees or authorized volunteers of the **named insured** are provided secondary physical damage insurance while the **automobiles** are being used by the employee or authorized volunteers on official business of the **named insured**. Insurance provided by this condition shall be deemed secondary to the insurance of the employee or authorized volunteers' personal insurance, which shall be primary insurance. The intent of this special condition shall not be interpreted to extend insurance to **automobiles** owned by other public or private entities, which are made available to **you, your** employees or volunteers. For these non-owned **automobiles**, the terms and conditions already contained in this section shall apply. This condition does not apply to **automobiles** or **mobile equipment** owned by authorized volunteers engaged in search and rescue activities. Insuring Agreement 2 is intended to provide primary insurance for search and rescue volunteers only when actively participating in search and rescue mobilizations initiated by the **named insured**.
4. **Civil Authority.** Property which is insured under this section is also covered against damage or destruction by civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by war, invasion, revolution, rebellion, insurrection, **terrorism** or other hostilities or warlike operations.
5. **Debris Removal.** This section covers up to 25% of the amount of damage to **covered property** otherwise payable for any one occurrence under Insuring Agreement 1 for the expenses of removing debris remaining after any loss thereby insured against, except that there shall be no liability for the expense of removal of any foundations, unless damaged by a covered **accident**.
6. **Earth Movement.** **Flood** as defined in this section, that would not have occurred but for an **earth movement** as described, shall be deemed to be proximately caused solely by **earth movement** regardless of any other cause or event that contributes concurrently or in any sequence to such **flood**, and consequently shall be considered **earth movement**.
7. **Flood.** When a loss is caused by **flood** under this section, **we** will pay only that part of the loss that exceeds the applicable deductible amount. The deductible in regards to a loss caused by **flood** is as follows:
 - a. Flood Type A: The first \$25,000 of each loss for buildings listed in the **schedule of values** subject to the aggregate as expressed in the declaration pages of this policy. Flood Type A excludes structures located wholly or partially within Special Flood Hazard Areas (SFHA), or areas of one hundred (100) year flooding, as defined by the Federal Emergency Management Agency (FEMA).
 - b. Flood Type B: The first \$500,000 of each building and the first \$500,000 of the contents amount listed for each building in the **schedule of values** subject to the aggregate as expressed in the declaration pages of this policy. Flood Type B applies to structures located wholly or partly within Special Flood Hazard Areas (SFHA), or areas of one hundred (100) year flooding, as defined by the Federal Emergency Management Agency (FEMA).
8. **Inadvertently Omitted Property:** **We** will pay up to first \$500,000 of the repair or **functional replacement cost**, whichever is less, for property inadvertently omitted from **your schedule of values**. Additionally, for any inadvertently omitted property valued in excess of \$500,000, up to a total of \$1,000,000 in the aggregate, annually, **we** will pay 50% of the **functional replacement cost**, whichever is less.
9. **Landscaping Items.** **We** will pay for damage to **your** outdoor trees, shrubs, plants or harvested crops as a result of an **accident**. The most **we** will pay in any one occurrence is \$25,000.

10. **Newly Acquired Property:** All newly acquired property shall be reported to **us** within one hundred and twenty (120) days in order for coverage to continue and shall be limited to \$10,000,000 until such time as reported to **us**, but no longer than one hundred twenty (120) days after acquisition.
11. **Operational Disruption Expense.** **We** agree to pay **you** or on **your** behalf **operational disruption expense** resulting from damage to **covered property** arising out of a covered loss under Insuring Agreement 1 during the **period of restoration**. The maximum amount **we** will pay for **operational disruption expenses** for any one occurrence or in the aggregate for multiple occurrences is \$250,000 for damages involving actual interruption of the use of **your computer system** when caused by a covered loss, provided that the disruption is directly caused by damage to **your computer system**. The maximum amount **we** will pay for all other covered operational disruptions is \$2,500,000 for any one occurrence or in the aggregate for multiple occurrences.
12. **Ordinance Deficiency.** In the event of a covered loss, **our** liability for additional cost **shall** not exceed \$5,000,000 occasioned by the enforcement of any state or municipal law, ordinance or code, which necessitates repairing, rebuilding, or replacement of **covered property** to meet such requirements, provided such repairing, rebuilding or replacement is complete or commences and is continuing within twenty-four (24) months of the date of loss. If demolition is required to comply with such requirement, **our** liability for such additional costs, shall not exceed the limits established in the debris removal provision above. The provisions of these conditions shall not, in any event, apply to increased costs due to the enforcement of compliance with statutes, ordinances or laws regulating **pollutants**, whether local, state or federal in nature. Any payment under this provision shall not serve to increase the limits of indemnification.
13. **Preservation of Property.** If it is necessary to move covered personal property from the described **premises** to preserve it from loss or damage, **we** will pay up to \$250,000 for direct physical loss or damage to that property while it is being moved or while temporarily stored at another location. **We** may pay for reasonable expenses incurred to minimize **your** loss, but any payment under this provision shall not serve to increase the limits of indemnification that would otherwise apply at the time and place of loss, nor shall such expenses exceed the amount by which the loss is reduced.
14. **Professional Fees.** This policy is extended to cover reasonable and necessary expenses incurred by **you** for architects, engineers, or other necessary design professionals who assist **you** in rebuilding from **your** loss under this section. Professional fees are limited to a maximum of \$1,000,000 per occurrence.
15. **Property of Others.** Employee or volunteer-owned personal property located within **covered property** is covered up to a per occurrence limit of \$50,000 per **accident**. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.
16. **Property in the Course of Construction.** New construction of buildings, including equipment, machinery, tools, materials or supplies intended for use in the construction of such property shall be covered up to \$1,000,000 for each building as listed per the **schedule of values**. Repairs or renovations of existing buildings or structures listed on the **schedule of values** and that **you** have an insurable interest in at the time of loss will also be covered up to \$1,000,000.
17. **Property in Transit.** This section covers **covered property**, while being transported by **you**, up to a per occurrence and/or in the aggregate limit of \$1,000,000 per policy period.
18. **Schedule of Values.** Except for **automobiles**, other **covered property** need not be identified in the **schedule of values** if the individual value of the item is less than \$100,000. It is **your** responsibility, working with **your** independent insurance agent, to make sure all **covered property** valued over \$100,000 is listed on **your schedule of values**.
19. **Valuable Papers and Records.** In the event of a covered loss under Insuring Agreement 1, **we** agree to pay **you**, or on **your** behalf, for direct accidental physical loss of or direct accidental physical damage to valuable papers and electronic data following damage to **covered property**. This condition applies to the costs to research, replace, or restore records which exist on electronic or magnetic media for which duplicates do not exist. The maximum amount **we** will pay for any one occurrence or in the aggregate for multiple occurrences is \$500,000 to restore data lost by **you** for an actual interruption of the use of **your computer system** when caused by a covered loss. This includes retrieving, repairing, restoring or replacing any of **your computer system** or any other data media or media material or any other computer programs for which **you** are responsible provided the claim results from a network breach, malicious code or accidental damage to **your computer system**. The maximum amount

we will pay for all other losses to valuable papers and records is \$1,000,000 for any one occurrence or in the aggregate for multiple occurrences.

20. Valuation of Loss.

- a. Buildings and structures— **We** shall not be liable for loss or damage in excess of 125% of the stated total value per location as reported in the **schedule of values**, which **you** have submitted to **us** in accordance with the conditions described below:
 - (1) If damage or destruction to **covered property** is not repaired, rebuilt or replaced on the same or another site within two (2) years after the loss or damage, **we** shall not be liable for more than the **actual cash value** as of the date of loss (ascertained with proper deduction for depreciation) of the property destroyed;
 - (2) **Our** total liability for loss of property covered herein shall not exceed the least of the following:
 - (i) The cost to repair; or
 - (ii) The cost to rebuild or replace, calculated as of the date of the loss, on the same site, with materials that are functionally equivalent; or
 - (iii) The actual expenditure incurred in rebuilding, repairing or replacing on the same or another site.
- b. Building Contents -- at **replacement cost** of the damaged or destroyed **covered property**.
- c. **Automobile** and **mobile equipment** –not to exceed the **functional replacement cost**, for vehicles and **mobile equipment** listed on **your schedule of values**, up to a maximum of \$1,000,000 per item and no more than \$10,000,000 in the aggregate for multiple items while not in use.
- d. Stock in process -- at the value of raw material and labor expended plus the proper proportion of overhead charges.
- e. Finished goods manufactured by **you** -- at the regular cash-selling price at the location where the loss occurs, less all discounts and charges to which the property would have been subject had no loss occurred.
- f. Property of others – (1) at the amount for which **you** are liable, but in no event to exceed the **replacement cost** value or (2) fine arts on display at the appraised value and included as contents or listed separately on the **schedule of values** up to the limits specified in the declaration pages.
- g. Leased buildings, leasehold improvements and betterments at **replacement cost**, if actually replaced within two (2) years after the loss or damage; if not replaced, at **actual cash value** on date of loss.
- h. Accounts, manuscripts, mechanical drawings and other records and documents not specifically excluded -- at value plus cost of transcribing.
- i. Fine arts -- at the appraised value of the article to a maximum of \$1,000,000 per occurrence or in the aggregate for multiple occurrences.

21. **Water Backup through Sewer or Drain.** **We** provide coverage for direct physical loss to **your** buildings and their related contents when damage is caused by water which backs up through sewers or drains, not related to a **flood**, up to a maximum of \$1,000,000 per occurrence or in the aggregate for multiple occurrences within the policy period.

D. Exclusions Applicable to Property Insuring Agreements

1. **With Regard to all property, we do not cover losses under the Property Insuring Agreements of this section resulting directly or indirectly from:**
 - a. Loss or damage more specifically covered under any other section of this policy.

- b. Moths, vermin, termites, or other insects; inherent vice; latent defect; wear, tear or gradual deterioration; and contamination, rust, wet or dry rot, mold, dampness of atmosphere, acid rain, smog or variations of temperature.
 - c. Settling, shrinkage or expansion of building or foundation, except if damage to **covered property** is caused by **earth movement** or **flood**.
 - d. Loss of use, delay, loss of markets or opportunity.
 - e. Breakdown or derangement of any machinery, unless an insured peril ensues, and then only for the actual loss or damage caused by such ensuing peril.
 - f. Electrical appliances, devices, fixtures or wiring caused by artificially generated electrical current, unless fire or explosion ensues, and then only for the actual loss or damage caused by such ensuing fire or explosion.
 - g. Inventory shortage, including mysterious disappearance or loss resulting from any kind of infidelity, dishonesty by **you** or any of **your** employees, whether alone or in collusion with others.
 - h. Any fraudulent, dishonest, or criminal act related to theft of cash, securities, or other negotiable instruments, however described, by any employee or authorized representative of an **insured** while acting alone or in collusion with others.
 - i. Any loss to **covered property**, other than wind or fire damage to **covered property**, which has been vacant or unoccupied for more than one hundred and twenty (120) consecutive days, including the date of the loss. A building is considered vacant or unoccupied when it does not contain enough property to conduct its customary business operations. However, it does not include any time when customary activities are suspended due to circumstances that are usual to the building's occupancy.
2. **With Regard to Buildings and Structures, we do not cover losses under the Property Insuring Agreements of this section resulting directly or indirectly from:**
- a. Settling, cracking, bulging, shrinking or expansion of pavements, foundations, walls, floors, ceilings or roofs, unless one or more of the walls or roofs of the building or structure are physically broken and falls to a lower level, except if damage is caused by a covered **accident**, or if damage to **covered property** is caused by **earth movement** or **flood**.
 - b. Extremes or changes of temperature (except to water piping or space heating equipment due to freezing) or changes in relative humidity, regardless of whether or not atmospheric except if damage to **covered property** is caused by **earth movement** or **flood**.
 - c. Any increase of loss due to interference with rebuilding, repairing, or replacing a building, or with the resumption or continuation of business.
 - d. Any increase of loss due to the suspension, lapse or cancellation of any lease or license, contract or order.
 - e. Loss or damage to property caused by or resulting from errors in design or testing of that property, except resultant physical loss or damage to other property insured by this section.
 - f. The repair or replacement of faulty or defective workmanship, material, or construction, except resultant physical loss or damage to other property insured by this section.
3. **With Regard to Property in Course of Construction, we do not cover losses under the Property Insuring Agreements of this Section resulting directly or indirectly from:**
- a. The repair or replacement of faulty or defective workmanship, material, or construction, except resultant physical loss or damage to other property insured by this section.

- b. Penalties for non-completion of or delay in completion of contract or non-compliance with contract conditions, nor for loss of use of occupancy, however caused.
4. **With Regard to specific types of property, we do not cover physical loss or physical damage to the following property:**
- a. All animals and birds, except service animals that are identified on **your schedule of values**. For those identified service animals, **our** liability for such loss shall not exceed the amount listed in the **schedule of values** or \$25,000, whichever is less, for injury, sickness or death.
 - b. Land and water.
 - c. Retaining walls not constituting part of a building when loss is caused by ice or water pressure.
 - d. Underground mines and mining property located below the surface of the ground.
 - e. Any property undergoing insulation breakdown tests.
 - f. Money, notes or securities.
 - g. Jewelry, furs, precious metals or precious stones.
 - h. Dams, canals, ditches, retaining ponds and all liners or other membranes designed to separate, retain, or hold water, sewage, trash, dirt, debris or any other material.
 - i. Roadways, highways, streets, bridges, and guardrails, however characterized.
 - j. Underground pipes.
 - k. Any **mobile equipment, automobile**, watercraft or other property while participating in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.
 - l. Overhead transmission and distribution lines, including wire, cables, poles, pylons, standards, towers or other supporting structures which may be attendant to the transmission and/or distribution of electrical power and/or telephone communications, but this exclusion shall not apply to such property which is owned by **you**, serves **your** structures and located on or within one thousand (1,000) feet of **your** structures listed on the **schedule of values**.
 - m. Data transmission lines and conduit not contained within walls of **covered property**.

SECTION VI – MACHINERY BREAKDOWN INSURANCE

A. Insuring Agreements Applicable to Machinery Breakdown Insurance

1. **Property Damage.** We agree subject to the conditions and exclusions of this Insuring Agreement to pay for direct damage to **covered property** caused by a **covered cause of loss** related to breakdown of machinery as listed in the **schedule of values** kept on file with **us**.
2. **Expediting Expenses.** With respect to direct damage to **covered property** we agree subject to the conditions and exclusions of this Insuring Agreement to pay for the extra cost **you** necessarily incur to make temporary repairs and expedite the permanent repairs or replacement of the damaged property.
3. **Business Income and Extra Expense.** We agree subject to the conditions and exclusions of this Insuring Agreement to pay **your** actual loss of **business income** during the **period of restoration** and **extra expense** **you** necessarily incur to operate **your** entity during the **period of restoration**. We will consider the operations of **your** entity before the **breakdown** and the probable experience **you** would have had without the **breakdown** in determining the amount of **our** payment.
4. **Perishable Goods/Spoilage Damage.** We agree subject to the conditions and exclusions of this Insuring Agreement to pay for the spoilage damage to raw materials, property in process or finished products, provided conditions are met that are outlined further in this section. We will also pay any necessary expenses **you** incur to reduce the amount of loss under this Insuring Agreement. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this form.
5. **Service Interruption.** We agree subject to the conditions and exclusions of this Insuring Agreement to pay for losses resulting from the interruption of utility services to **your** structures provided conditions are met that are outlined further in this section.
6. **Newly Acquired Premises.** We agree subject to the conditions and exclusions of this Insuring Agreement to provide insurance for machinery at newly acquired **premises** **you** have purchased or leased. This insurance begins at the time **you** acquire the property and continues for a period not exceeding one hundred and twenty (120) days under conditions set forth below.
7. **Ordinance or Law.** We agree subject to the conditions and exclusions of this Insuring Agreement to pay for increases in loss as necessitated by the enforcement of any laws or ordinances that are in force at the time of the **breakdown**, which regulate the demolition, construction, repair or use of the building or structure.
8. **Errors and Omissions.** We agree subject to the conditions and exclusions of this Insuring Agreement to pay for any loss or damage, which is not otherwise payable under this Insuring Agreement solely because of any error or unintentional omission in the description or location of property as insured under this Insuring Agreement or in any subsequent amendments, any failure through error to include any **premises** owned or occupied by **you** at the inception date of this Insuring Agreement; or any error or unintentional omission by **you** that results in cancellation of any **premises** insured under this policy.

B. Definitions Applicable to Machinery Breakdown Insuring Agreements

1. "**Breakdown**":
 - a. Means the direct physical loss that causes damage to **covered equipment** and necessitates its repair or replacement, unless such loss or damage is otherwise excluded within this section:
 - (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (2) Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires.
 - (3) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by **you**, or operated under **your** control;
 - (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- b. Does not mean or include:
 - (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to **covered equipment**;
 - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (4) Damage to any vacuum tube, gas tube, or brush;
 - (5) Damage to any structure or foundation supporting the **covered equipment** or any of its parts;
 - (6) The functioning of any safety or protective device; or
 - (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
- 2. **“Business Income”** means the:
 - a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses incurred, including payroll.
- 3. **“Business Income Actual Annual Value”** means the sum of the net income and continuing normal operating expenses incurred, including payroll that would have been earned had the **breakdown** not occurred.
- 4. **“Computer Equipment”** means:
 - a. **Your** programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.
 - c. It does not include **data or media**.
- 5. **“Covered Cause of Loss”** means a **breakdown** to **covered equipment**.
- 6. **“Covered Equipment”**:
 - a. Means and includes any property built to operate under vacuum or pressure, other than weight of contents or used for the generation, transmission or utilization of energy.
 - b. Does not mean or include any:
 - (1) **Media**;
 - (2) Structure, foundation, cabinet or compartment;
 - (3) Insulating or refractory material;
 - (4) Equipment manufactured by **you** for sale;
 - (5) Catalyst;
 - (6) Sewer piping, underground vessels or piping, any piping forming a part of a sprinkler system or any water piping other than:
 - (a) Boiler feed water piping
 - (b) Boiler condensate return piping, or
 - (c) Water piping forming a part of a refrigerating or air conditions system;
 - (7) Vehicle, **aircraft**, floating vessel including or any equipment mounted on such vehicle, **aircraft** or floating vessel; or
 - (8) Dragline, excavation, or construction equipment
- 7. **“Data”** means:
 - a. Programmed and recorded material stored on **media**; and
 - b. Programming records used for electronic data processing, or electronically controlled equipment.
- 8. **“Extra Expense”** means the net additional cost **you** incur to operate **your** business during the **period of restoration** over and above the cost that **you** normally would have incurred to operate the business during the same period had no **breakdown** occurred.
- 9. **“Hazardous Substance”** means any substance other than ammonia that has been declared to be hazardous to health by a government agency.
- 10. **“Media”** means electronic data processing or storage media such as films, tapes, discs, drums or cells.
- 11. **“One Breakdown”** means if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one **premises** that manifest themselves at the same time and are the direct result of the same cause will be considered **one breakdown**.

12. **“Period of Restoration”** means the period of time that:
 - a. Begins at the time of the **breakdown** or 24 hours before **we** receive notice of **breakdown** whichever is later; and
 - b. Ends (5) five consecutive days after the date when the damaged property is repaired or replaced with reasonable speed and similar quality.
13. **“Stock”** means merchandise held in storage or for sale, raw materials, property in process or finished products including supplies used in their packing or shipping.

C. Specific Conditions Applicable to Machinery Breakdown Insuring Agreements

1. With Respect to Insuring Agreement 3 – Business Income and Extra Expense:

- a. **Damaged Media or Damaged Data.** If **media** are damaged or **data** are lost or corrupted, **we** will pay **your** actual loss of **business income** and/or **extra expense** during the time necessary to:
 - (1) Research, replace or restore the damaged **media** or lost or corrupted **data**; and
 - (2) Reprogram instructions used in any covered **computer equipment**.
- b. There shall be no coverage for any **media** or **data** that **we** determine is not or cannot be replaced or restored.
- c. **We** will pay the lesser of **your** actual loss of **business income** and/or **extra expense** up to 30 days after the **period of restoration** or \$25,000.

2. With Respect to Insuring Agreement 4 – Perishable Goods/Spoilage Damage:

- a. The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
- b. **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and
- c. The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

3. With Respect to Insuring Agreement 5 – Service Interruption:

- a. The interruption is the direct result of a **breakdown** to **covered equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive;
- b. The **covered equipment** is used to supply electric power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam to **your premises**; and
- c. The interruption of utility service to **your premises** lasts at least the consecutive period of time of twenty-four (24) hours. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

4. With Respect to Insuring Agreement 6 – Newly Acquired Premises:

- a. **You** must inform **us**, in writing, of the newly acquired **premises** as soon as practicable;
- b. The coverage for these **premises** will be subject to the same terms, conditions, exclusions and limitations as other insured **premises**.

5. **With Respect to Insuring Agreement 7 – Ordinance or Law:**

a. **We will pay for:**

- (1) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of undamaged parts of the same building or structure;
- (2) **Your** actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of such undamaged property; and
- (3) The increased cost actually and necessarily expended to:
 - (i) Repair or reconstruct the damaged or destroyed portions of the building or structure; and
 - (ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area, and style for like occupancy, whether or not demolition is required on:
 - (1) The same **premises** or on another **premises** if **you** so elect. However if **you** rebuild at another **premises**, the most **we** will pay is the increased cost of construction that **we** would have paid to rebuild at the same **premises**; or
 - (2) Another **premise** if the relocation is required by the ordinance or law. The most **we** will pay is the increased cost of construction at the new **premises**.

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

- (1) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;
- (2) Increase in loss until the damaged or destroyed buildings or structures are actually rebuilt or replaced and approved by the regulating government agency;
- (3) Loss due to any ordinance or law that:
 - (i) **You** were required to comply with before the loss, even if the building was undamaged; and
 - (ii) **You** failed to comply with;
- (4) Increase in the loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the **breakdown**; or
- (5) Increase in loss resulting from a substance declared to be hazardous to health or environment by any government agency.

c. **If**

- (1) The building or structure is damaged by a **breakdown** that is covered under this policy and there is other physical damage that is not covered under this policy and the building damage in its entirety results in enforcement of ordinance or law, then **we** will not pay the full amount of the loss under this section. Instead, **we** will pay only that proportion of such loss; meaning the proportion that the covered **breakdown** loss bears to the total physical damage.
- (2) But if the building or structure sustains direct physical damage that is not covered under this section and such damage is the subject of the ordinance or law, then there is no ordinance or law coverage under this section even if the building has also sustained damage by a covered **breakdown**.

6. **With Respect to Insuring Agreement 8 – Errors and Omissions:**

- a. No insurance is provided as a result of any error or unintentional omission by **you** in the reporting of values or the coverage **you** requested.
- b. It is a condition of this policy that such errors or unintentional omissions shall be reported and corrected when discovered. The policy member contribution will be adjusted accordingly to reflect the date the **premises** should have been added had no error or omission occurred.

D. Exclusions Applicable to Machinery Breakdown Insuring Agreements

1. **We** will not pay for loss or damage caused directly or indirectly by any of the following items. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.
 - a. Increase in loss from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, clean-up or disposal of **covered property**.
 - b. Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, mudslide, earth sinking, tsunami or volcanic action;
 - c. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - d. Nuclear reaction or radiation, or radioactive contamination, however caused.
 - e. War, including undeclared or civil war; warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
 - f. Explosion (except from steam or centrifugal explosion);
 - g. Fire (including fire resulting from a **breakdown**); or water or other means used to extinguish a fire;
 - h. Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
 - i. Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse; or molten material;
 - j. Water damage resulting from a **breakdown**, unless otherwise shown as covered.
 - k. Depletion, deterioration, corrosion, erosion, or wear and tear, or other gradually developing conditions. But if loss or damage from a **breakdown** results, **we** will pay the resulting loss or damage;
 - l. Lightning; windstorm or hail, smoke; **aircraft** or vehicles; riot or civil commotion; vandalism; or sprinkler leakage;
 - m. A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment;
 - n. A delay in, or an interruption of any business, manufacturing or processing activity except as provided by the business income and extra expense, and service interruption Insuring Agreements;
 - o. With respect to business income and extra expense, and service interruption Insuring Agreements, the following additional exclusions shall apply:
 - (1) The business that would not or could not have been carried on if the **breakdown** had not occurred;
 - (2) **Your** failure to use due diligence and dispatch and all reasonable means to operate **your** business as nearly normal as practicable at the **premises** shown in the **schedule of values**; or
 - (3) The suspension, lapse or cancellation of a contract following a **breakdown** extending beyond the time business could have resumed if the contract had not lapsed, been suspended or canceled.
 - p. Lack or excess of power, light, heat, steam or refrigeration except as provided by the business income and extra expense, and service interruption Insuring Agreements.

- q. With respect to service Interruption Insuring Agreement, any loss resulting from the following additional causes of loss whether or not coverage for that cause of loss is provided by another policy **you** have:
- (1) Acts of sabotage;
 - (2) Collapse;
 - (3) Deliberate act(s) of load shedding by the supplying utility;
 - (4) Freezing caused by cold weather;
 - (5) Impact of **aircraft**, missile or vehicle;
 - (6) Impact of objects falling from an **aircraft** or missile;
 - (7) Lightning;
 - (8) Riot, civil commotion or vandalism;
 - (9) Sinkhole collapse;
 - (10) Smoke; or
 - (11) Weight of snow, ice or sleet.
- r. Any indirect result of a **breakdown** to **covered equipment** except as provided by the business income and extra expense, perishable goods/spoilage damage and service interruption Insuring Agreements.
- s. Neglect by **you** to use all reasonable means to save and preserve **covered property** from further damage at and after the time of the loss.
- t. The most **we** will pay for any and all Insuring Agreements for loss or damage from any **one breakdown** is the applicable limits of indemnification shown in the declarations pages. Any payment made will not be increased if more than one **insured** is shown in the declarations pages. For each Insuring Agreement listed, if:
- (1) A limit is shown in the declarations pages, the Limits of Indemnification is part of, not in addition to, the limit per **breakdown**.
 - (2) A limit is shown in the declarations pages, **we** will not pay more than the limit of indemnification for each such Insuring Agreement.
- u. For any **covered equipment** that is:
- (1) Used solely to supply utility services to **your premises**; owned by a public or private utility; not in **your** care, custody or control and for which **you** are legally liable; and covered under this section:
 - (2) The limit of indemnification for property damage stated in the declarations pages is deleted and replaced by the sum of one dollar.
- v. Unless a higher limit is shown in the declarations pages, the most **we** will pay for direct damage as a direct result of a **breakdown** to **covered equipment** is \$25,000 for each of the following. The limits are part of, not in addition to, the limits of indemnification for property damage or limit per **breakdown**.
- (1) **Ammonia Contamination.** The spoilage to **covered property** contaminated by ammonia, including any salvage expense.
 - (2) **Consequential Loss.** The reduction in the value of undamaged **stock** parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.
 - (3) **Data and Media.** **Your** cost to research, replace or restore damaged **data** or **media** including the cost to reprogram instructions used in any **computer equipment**.
 - (4) **Hazardous Substance.** Any additional expenses incurred by **you** for the clean-up, repair or replacement or disposal of **covered property** that is contaminated by a **hazardous substance**. As used here, additional expenses mean the additional cost incurred over and above the amount that **we** would have paid had no **hazardous substance** been involved with the loss. Ammonia is not considered to be a **hazardous substance** as respects this limitation. This applies despite the operation of the ordinance or law exclusion.
 - (5) **Water Damage.** The damage to **covered property** by water including any salvage expenses, except no insurance applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

SECTION VII - CRIME INSURANCE

A. Insuring Agreements Applicable to Crime Insurance

1. **Employee Dishonesty or Fraud.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay the **named insured**, or on its behalf, for loss of money, securities, and other financial instruments or theft of **your** property by an **employee** sustained by the **named insured** resulting directly from one or more **dishonest or fraudulent acts** committed by an **employee** of the **named insured**, acting alone or in collusion with others.
2. **Loss Inside the Premises.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay the **named insured**, or on its behalf, for loss of the money and securities of the **named insured** by the actual destruction, disappearance, or **wrongful taking** within the **premises**.
3. **Loss Outside the Premises.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay the **named insured**, or on its behalf, for loss of the money and securities of the **named insured** by the actual destruction, disappearance, or **wrongful taking** thereof, outside the **premises** while being conveyed by a **messenger** or any armored motor vehicle company.

B. Definitions Applicable to Crime Insuring Agreements

1. "Dishonest or Fraudulent Acts" means acts committed by an **employee** of the **named insured** which
 - a. cause the **named insured** to sustain such loss; or
 - b. results in financial benefit to the **employee** or another person or organization intended by the **employee** to receive such benefit not otherwise entitled to.
2. "Employee" shall be as defined by the Idaho Tort Claims Act (Idaho Code, chapter 9, title 6).
3. "Messenger" means any **employee** who is duly authorized by the **named insured** to have the care and custody of an **insured** property outside the **premises**.
4. "Premises" means the interior of that portion of any building which is occupied by the **named insured** in conducting its business.
5. "Wrongful Taking" means an unauthorized conversion or theft of money, securities, money orders, counterfeit currency, depositor's forgery or other financial instruments, whether or not proven in a court of law.

C. Specific Conditions Applicable to Crime Insuring Agreements

1. **All Incidents - One Loss.** All losses incidental to an actual or attempted fraudulent, dishonest, or criminal act, or series of related acts, whether committed by one or more persons, shall be deemed one loss. The applicable limits of indemnification stated in the declarations pages are the total limit of **our** liability with respect to all losses arising out of any one occurrence.
2. **Policy in Lieu of Public Officials Surety Bond.** Insurance under this section shall be deemed to provide insurance compliant with provisions of Idaho Code §59-804 for the terms and responsibilities of public officials or **employees** to the extent required by the Idaho Code bonding requirements for public officials.
3. **Limits of Indemnification for Multiple Policy Periods.** **Our** total liability is limited to the total amount specified in the declarations pages of this policy for all losses caused by any **employee** or in which such **employee** is concerned or implicated. Regardless of the number of years this policy shall continue in force and the number of member contributions which shall be payable or paid, the limits of indemnification specified in the declarations pages shall not be cumulative from year to year or period to period. The maximum total loss paid to any **named insured** shall not exceed the limits of indemnification stated in the policy year during which a claim is made.

4. **Loss Caused by Unidentified Employees.** If a loss is alleged to have been caused by the fraud or dishonesty of any one or more **employees**, and the **named insured** shall be unable to designate the specific **employee** or **employees** causing such loss, the **named insured** shall nevertheless have the benefit of Insuring Agreement 1, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more **employees** of the **named insured**.
5. **Ownership Interest.** Money, securities, and other financial instruments may be covered by this policy whether owned by the **named insured** or held by the **named insured** in its care, custody, or control.
6. **Recoveries.** To the extent that a loss of the **named insured** exceeds the limits of indemnification applicable to this section, the **named insured** shall be entitled to recoveries from third parties until the **named insured** is fully reimbursed. Any remaining recovery shall be paid to **us**. Audit fees incurred by **us** toward establishing **your** loss values will be deducted from the ultimate net loss.

D. Exclusions Applicable to Crime Insuring Agreements

1. **All Crime Insuring Agreements of this Section do not provide coverage for:**
 - a. Any claim or loss more specifically covered under any other section of this policy.
 - b. Any claim for the potential income or increase including, but not limited to, interest and dividends, not realized by the **named insured** because of a loss covered under this section.
 - c. Any claim for costs, fees, or other expenses incurred by the **named insured** in establishing the existence of, or amount of loss, covered under this section.
 - d. Any claim for the funds collected or retained for any state or Federal agency pursuant to requirements established by law or pursuant to a mutual agreement.
 - e. Any loss claimed involving conduct more than two (2) years prior to the date of the claim.
2. **Crime Insuring Agreement 1 does not cover:**
 - a. Any loss, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation.
 - b. Any claim of loss concerning any fiscal year wherein financial records of the political subdivision have not been timely audited by a certified public accountant in accordance with the requirements of Idaho Code §67-450B or §67-450C, as appropriate.
3. **Crime Insuring Agreement 2 does not provide coverage for:**
 - a. Any claim or loss due to any fraudulent, dishonest, or criminal act by any **employee**, director, trustee, or authorized representative of the **named insured**, while working or otherwise, and whether acting alone or in collusion with others.
 - b. Any claim or loss due to:
 - (1) The giving or surrendering of money or securities in any exchange or purchase; or
 - (2) Accounting or arithmetical errors or omissions; or
 - (3) Manuscripts, books of account, or records; or
 - (4) Presentation or acceptance of any check returned for insufficient funds.
 - c. Any claim or loss of money contained in coin operated amusement devices or vending machines, unless the amount of money deposited within the device or machine is recorded by a continuous recording instrument therein.

4. **Crime Insuring Agreement 3 does not provide coverage for:**

- a. Any claim or loss due to any fraudulent, dishonest, or criminal act by any **employee**, director, trustee, or authorized representative of the **named insured**, while working or otherwise, and whether acting alone or in collusion with others.
- b. Any claim or loss due to:
 - (1) The giving or surrendering of money or securities in any exchange or purchase;
 - (2) Accounting or arithmetical errors or omissions; or
 - (3) Manuscripts, books of account, or records.
- c. Any insured claim or loss of money, securities, and other financial instruments of the **named insured** while in the custody of any armored motor vehicle company, except as excess policy over amounts recovered or received by the **named insured** under:
 - (1) The contract of the **named insured** with said armored motor vehicle company;
 - (2) Insurance carried by said armored motor vehicle company for the benefit of users of its services; and
 - (3) All other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service.

SECTION VIII – AUTOMOBILE LIABILITY INSURANCE

A. Automobile Liability Insuring Agreements

1. **Automobile Liability.** *We* agree, subject to the conditions and exclusions of this section, to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** because of **bodily injury** or **property damage** caused by an **accident** and arising out of the ownership, maintenance, use, loading or unloading, of an **insured automobile**.
2. **Automobile Medical Payments.** *We* agree, subject to the conditions and exclusions of this section, to **pay medical expenses** incurred within the policy period and within ten (10) days of an **automobile accident** as shall be necessary on account of **bodily injury** caused by an **accident** in a vehicle owned or rented to an **insured**. Any such **medical expenses** must be reported within one hundred and eighty (180) days of the **accident**.
3. **Uninsured or Underinsured Motorists.**
 - a. *We* agree, subject to the conditions and exclusions of this section, to pay **damages** for **bodily injury** which an **insured** is legally entitled to recover from the owner or operator of an **uninsured automobile** or **underinsured automobile**. The **bodily injury** must be caused by **accident** and arise out of the ownership, maintenance, or use of an **uninsured automobile** or **underinsured automobile**. This policy will pay under this Insuring Agreement only after the limits of liability under any applicable bodily injury liability policies or bonds have been exhausted in payments, settlements, or judgments and after all worker's compensation benefits an employee may be entitled to have been paid.
 - b. The limits of indemnification shall be reduced by:
 - (1) All sums paid because of **bodily injury** by or on behalf of persons or organizations who may be legally responsible for causing the **bodily injury** and
 - (2) All sums paid by worker's compensation benefits or similar disability law.

B. Definitions Applicable to Automobile Liability Insurance Agreements

1. "**Insured**" means anyone operating or **occupying** an **insured automobile** with the permission of an **insured**.
2. "**Insured Automobile**" means an **automobile** owned by the **named insured** or a non-owned **automobile** while operated by an **insured** in the course and scope of their duties or such use that is otherwise authorized by the **named insured**.
3. "**Medical Expenses**" means expenses for necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services.
4. "**Occupying**" with regard to Insuring Agreements 2 and 3 of this section means an individual who, at the time of the **accident** is in physical contact with an **insured automobile**.
5. "**Underinsured Automobile**" means an **automobile** for which the sum of liability limits of all applicable liability bonds or policies at the time of an **accident** is less than the limits of indemnification applicable to Insuring Agreement 3 of this section.
6. "**Uninsured Automobile**" means an **automobile**:
 - a. To which a **bodily injury** liability bond or policy does not apply at the time of the **accident**.
 - b. For which an insuring or bonding company denies coverage or has become insolvent.
 - c. Which is a hit-and-run **automobile** and neither the driver nor the owner can be identified. The hit-and-run **automobile** must come in contact with an **insured automobile**.

C. Specific Conditions Applicable to Automobile Liability Insurance Agreements

1. **With respect to Insuring Agreements 1, 2 and 3, Auto Liability Insurance of this Section is subject to the following conditions:**
 - a. **Automobiles Owned by Employees or Authorized Volunteers.** An *automobile* owned by an employee or authorized volunteer of the *named insured* is provided auto liability coverage by this section while the *automobile* is being used by an employee or authorized volunteer on official business of the *named insured*. This policy shall be deemed secondary to the policy of the employee's or authorized volunteer's personal insurance, which is deemed to be primary insurance. The intent of this special condition shall not be interpreted to extend this policy to an *automobile* owned by other public or private entities, which are made available to the *named insured* or its employees. For these non-owned *automobiles*, the terms and conditions already contained in this policy shall apply. This specific condition does not apply to volunteers engaged in search and rescue activities as coverage is intended to be primary insurance for search and rescue volunteers only when actively participating in search and rescue mobilizations initiated by the *named insured*.
 - b. **Non-Duplication of Benefits.** There shall be no duplication of payments under this section for Insuring Agreements 1, 2 and 3, respectively, of this policy. Any amounts payable under these respective insuring agreements will be reduced by the amount of any advance payments.
2. **With Respect to Insuring Agreement 2, Automobile Medical Payments Insurance of this Section has the following conditions:**
 - a. **Examinations/Medical Reports.** The injured person may be required to take physical examinations by physicians *we* choose, as often as *we* reasonably require. *We* must be given authorization to obtain medical reports and other records pertinent to any such claim.
 - b. **Notice of Loss.** As soon as possible, any person making a claim under this Insuring Agreement must give *us* written notice. It must include all details *we* may need to determine the amounts payable.
3. **With Respect to Insuring Agreement 3, Uninsured/Underinsured Motorists Insurance of this Section has the following conditions:**
 - a. **Arbitration.** If *we* and any person entitled to recover under Insuring Agreement 3 fail to agree on the amount of *damages* thereof, the amount shall be settled by arbitration. In that event, each party will select an arbitrator. The two arbitrators will then select a third arbitrator. If they cannot agree upon a third arbitrator within thirty (30) days, both parties can ask a district judge in the State of Idaho to select the third arbitrator. Each party will pay the expenses it incurs, and bear the expenses of the third arbitrator equally. Written decisions of any two arbitrators will determine the issues and will be binding. The arbitration will take place pursuant to the Uniform Arbitration Act, Idaho Code Title 7, Chapter 9, unless both parties agree otherwise. Attorney's fees and fees paid to medical and other expert witnesses as part of the arbitration proceeding will not be considered arbitration expenses. These costs and expenses will be paid by the party incurring them.
 - b. **Hit-and-Run Accident.** At *our* request, *you* shall make available for inspection any *automobile* which any *insured* was *occupying* at the time of a hit-and-run *accident*. *You* must also notify a law enforcement agency within twenty-four (24) hours of any hit-and-run *accident*. *You* must also notify *us* of any such hit-and-run *accident* within seven (7) days of any such *accident*. Failure to provide such notice shall be deemed a material and prejudicial breach of this Insuring Agreement 3, and render any insurance provided null and void.
 - c. **Medical Examinations.** The injured person may be required to take, at *our* expense, physical examinations by physicians *we* choose, as often as *we* reasonably require.
 - d. **Non-Binding Judgment.** No judgment resulting from a suit brought without *our* written consent, or which *we* are not a party to, is binding on *us*, either for determining the liability of the *uninsured or underinsured automobile* or owner, or the amount of *damages* sustained.
 - e. **Prejudgment or Pre-Arbitration Award Interest.** Prejudgment or pre-arbitration award interest shall not begin to accrue until the date that the proof of loss is received by *us*.

- f. **Proof of Loss.** A proof of loss must be served upon **us** as soon as practicable following any such **accident** causing the injury in order to determine the amounts payable. Failure to provide such notice shall be deemed a material and prejudicial breach of this Insuring Agreement, and render any insurance provided null and void. Each proof of loss presented shall accurately describe the conduct and circumstances which brought about the injury, state the time and place the injury occurred, state the names of all persons involved, and shall contain the amount of **damages** claimed, together with any and all records that exist pertaining to said injury. Said records shall consist of 1) all police reports pertaining to the **accident** and 2) complete medical and billing records from all institutions (hospitals, rehabilitation facilities, and nursing homes) and physician offices. A signed medical records release form must be provided with the proof of loss giving **us** authorization to obtain additional medical reports and other records pertinent to any such loss.

D. Exclusions Applicable to Automobile Liability Insurance Agreements

1. With respect to Insuring Agreements 1, 2 and 3, Auto Liability Insurance of this Section does not apply:

- a. To any **claim, occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
- b. To any claim of **bodily injury** sustained by any person, including an **insured**, engaged in the maintenance or repair of an **insured automobile**.
- c. To any **claim** that directly or indirectly benefits any worker's compensation or disability benefits insurer.
- d. For **bodily injury** to anyone eligible to receive benefits which are either provided, or are required to be provided, under any worker's compensation, occupational disease, or similar disability law.
- e. To any **claim** arising out of the operation of **mobile equipment**.
- f. For any **automobiles** or **mobile equipment** owned or leased by a **named insured** when the **automobile** or **mobile equipment** is being rented or leased to a third party for compensation.
- g. To any person or organization, or to any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any **accident** arising out of the operation thereof.
- h. To any employee with respect to injury to or sickness, disease or death of another employee of the same employer injured in the course of such employment in an **accident** arising out of the maintenance or use of the **automobile** in the business of such employer.
- i. With respect to any hired **automobile**, to the owner or a lessee thereof, other than the **named insured**, nor to any agent or employee or such owner or lessee.
- j. To any **bodily injury** resulting from or arising out of the use of an **automobile** owned by **you** and not insured by **us**.

2. With Respect to Insuring Agreement 1, Auto Liability Insurance of this Section does not apply:

- a. To **property damage** to property rented to, used by, or in the care, custody or control of any **insured**.
- b. To **bodily injury** to any **insured** arising out of or in the course of employment.
- c. To any liability for indemnity or contribution brought by any party for **bodily injury** or **property damage** sustained by any **insured**.

3. **With Respect to Insuring Agreement 2, Automobile Medical Payments of this Section does not apply:**
 - a. To any ***bodily injury*** arising out of or resulting from the operation of an ***insured automobile*** while being used for hire or for a fee.
 - b. To prisoners, inmates, or any other category of persons being detained by an ***insured*** while being transported by ***you***.
4. **With Respect to Insuring Agreement 3, Uninsured/Underinsured Motorists Insurance of this Section does not apply:**
 - a. To any ***insured*** who enters into a settlement with a third party without ***our*** written consent.

SECTION IX – GENERAL LIABILITY INSURANCE

A. Insuring Agreement Applicable to General Liability Insurance

1. **General Liability.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** for **personal injury** or **property damage** which arise out of an **occurrence** during the policy period.

B. Definitions Applicable to General Liability Insuring Agreement

1. **"Fire Suppression Activities"** means the application of water or **fire suppression chemicals** in the attempt to suppress fires or dislocation of materials or destruction of property deemed necessary to suppress fires.
2. **"Fire Suppression Chemicals"** means chemicals prescribed for extinguishing or preventing fires.
3. **"Hostile Fire"** means one which becomes uncontrollable or breaks out from where it was intended to be within **your covered property** and started by **you**.
4. **"Insured"** means:
 - a. The **Named Insured**;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor;
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to General Liability Insuring Agreement:

1. **Fire Suppression Liability.** Insuring Agreement 1 of this section provides liability coverage for **damages** arising out of **fire suppression activities** by authorized firefighting personnel, provided that all requirements of Insuring Agreement 1 of this section are satisfied. Coverage is limited to \$500,000 per occurrence for claims brought pursuant to the Idaho Tort Claims Act and \$500,000 per occurrence for all other claims brought for **damages** related to **fire suppression activities**. When used by authorized firefighting personnel in the course of **fire suppression activities**, **fire suppression chemicals** will not be considered a **pollutant**. Government imposed penalties or fines, however characterized, assessed to pay the costs of suppressing a fire started by **your fire suppression activities** or for the improper discharge of **fire suppression chemicals** will not be covered under this section. This coverage grant does not apply to fire suppression activities on public land.
2. **Garagekeeper's Liability.** Insuring Agreement 1 of this section provides liability coverage associated with the ownership and operation of storage garages and parking lots of the **named insured** as bailee with respect to an **automobile** left in its custody and control.
3. **Hostile Fire Liability.** Insuring Agreement 1 of this section provides for loss or damage arising out of heat, smoke, or fumes resulting from a hostile fire.
4. **Host/Liquor Liability.** Insuring Agreement 1 of this section provides liability coverage for actions resulting from the provision, sale or distribution of alcoholic beverages, or by reason of any local, state or federal liquor control laws; provided however, all requirements of the Insuring Agreement 1 of this Section are satisfied.
5. **Incidental Medical Liability.** Insuring Agreement 1 of this section provide liability coverage for professional medical services rendered in the course and scope of delivering such services or during medically supervised training related thereto or which should have been rendered to any person or persons (other than employees of the **named insured** injured during the course of their employment) only by any of the following persons acting on behalf of the **named insured**:

- a. Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.
 - b. Employed or volunteer, nurse practitioners, registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while employed by **you** and while acting within the scope of their duties and responsibilities serving inmates of a jail operated by **you**.
 - c. Volunteer registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while volunteering for **you** and while acting within the scope of their duties and responsibilities, serving as an EMT, paramedic, first responder or ambulance personnel.
 - d. Any other **insured** providing **first aid**.
6. **Sewer Back-up Claims.** Insuring Agreement 1 of this section provides for third-party **claims** for **property damage** arising out of **occurrences** involving sewer line and facilities back-up and related events, for which the **named insured** is responsible by virtue of its negligence; provided that all requirements of Insuring Agreement 1 of this section are satisfied. Notwithstanding the general exclusions stated elsewhere within this policy, this Insuring Agreement extends to mold and other fungus abatement and remediation demonstrated to be a direct result of a sewer back-up related **occurrence** for which **you** are responsible.

D. Exclusions Applicable to General Liability Insuring Agreement

1. With Respect to Insuring Agreement 1, General Liability Insurance of this Section does not apply:

- a. To any **claim, occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
- b. To **personal injury** or **property damage** resulting from or arising out of the ownership, maintenance, use or entrustment to others of any **automobile**.
- c. To **property damage** to property **you** own, rent or occupy; **premises you** sell, give away or have abandoned; property loaned to **you**; and personal property in **your** care, custody and control. This exclusion shall not apply to garagekeeper's liability, as provided in the specific conditions of this section.
- d. To any **damages** claimed for any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, or disposal of **your** product, **your** work, or the impaired property if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition.
- e. To any **claim** or **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
- f. To any **claim** relating to **wrongful employment acts** of the employment of any person, including threatened, actual or alleged discrimination or harassment.
- g. To any **claim** or **suit** for **personal injury** arising out of the **administration** of an **employee benefit program**.

SECTION X – LAW ENFORCEMENT LIABILITY INSURANCE

A. Insuring Agreement Applicable to Law Enforcement Liability Insurance

1. **Law Enforcement Liability.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** because of a **wrongful act** or related **wrongful acts** resulting from the performance of **your** duties while providing law enforcement services or **jail operations** services or the administration of **first aid** resulting in **personal injury** or **property damage** during the policy period.

B. Definitions Applicable to Law Enforcement Liability Insuring Agreement

1. "**Jail Operations**" means activities relating to the detention of prisoners, arrestees or detainees at a detention facility, jail, work program, or other facility however described used to hold prisoners, arrestees, or detainees in the charge of an **insured**.
2. "**Personal Injury**" means **bodily injury**, mental anguish, shock, sickness, disease, disability, wrongful eviction, malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character, piracy and any infringement of copyright of property, erroneous service of civil papers, assault and battery and disparagement of property. **Personal injury** shall also mean false arrest, false imprisonment, detention, unlawful discrimination and violation of civil rights arising out of law enforcement activities.
3. "**Wrongful Act**" means the actual or alleged negligent performance of a legal duty or responsibility or failure to perform a legal duty or responsibility, respectively, in a tortious manner pursuant to the Idaho Tort Claims Act or unlawful violations of civil rights pursuant to Federal law arising out of public office or position. **Wrongful act** is not a **wrongful employment practice**, as defined elsewhere.

C. Specific Conditions Applicable to Law Enforcement Liability Insuring Agreement

1. **Incidental Medical Liability.** Insuring Agreement 1 of this section provides liability coverage for professional medical services rendered in the course and scope of delivering such services or during medically supervised training related thereto or which should have been rendered to any person or persons (other than employees of the **named insured** injured during the course of their employment) only by any of the following persons acting on behalf of the **named insured**:
 - a. Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.
 - b. Employed or volunteer, nurse practitioners, registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while employed by **you** and while acting within the scope of their duties and responsibilities serving inmates of a jail operated by **you**.
 - c. Volunteer registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while volunteering for **you** and while acting within the scope of their duties and responsibilities, serving as an EMT, paramedic, first responder or ambulance personnel.

D. Exclusions Applicable to Law Enforcement Liability Insuring Agreement

1. **With Respect to Insuring Agreement 1, Law Enforcement Liability Insurance of this Section does not apply:**
 - a. To any **claim, occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. To **personal injury** or **property damage** resulting from or arising out of the ownership, maintenance, use or entrustment to others of any **automobile**.

- c. To **property damage** to property **you** own, rent or occupy; **premises you** sell, give away or have abandoned; property loaned to **you**; and personal property in **your** care, custody and control. This exclusion shall not apply to garagekeeper's liability, as provided in the specific conditions of this section.
- d. To any **claim** or **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
- e. To any **claim** relating to **wrongful employment acts** of the employment of any person, including threatened, actual or alleged discrimination or harassment.

SECTION XI - ERRORS AND OMISSIONS INSURANCE CLAIMS MADE ONLY

A. Errors and Omissions Insuring Agreements

1. **Errors and Omissions Liability.** *We* agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on *your* behalf those sums which *you* become legally obligated to pay as **damages** because of a **claim** arising out of a **wrongful act** or related **wrongful acts** against an **insured** which is **first made** in writing to *us* by *you* during this policy period, or any extended reporting period *we* provide. For this insuring agreement, two or more **claims** arising out of a single **wrongful act** or series of related **wrongful acts** shall be treated as a single **claim**. This insuring agreement only applies if the incident(s) did not first occur before the retroactive date as stated in the declarations pages or after the end of this policy period, or any extended reporting period *we* provide.

B. Definitions Applicable to Errors and Omissions Insuring Agreement

1. "**Claim**" means a demand received by *you* for money **damages** alleging a **wrongful act** of a tortious nature by any **insured**. No **claim** exists where the only monetary **damages** sought or demanded are costs of suit and/or attorney's fees.
2. "**Insured**" means:
 - a. The **Named Insured**;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Errors and Omissions Insuring Agreement

1. **Retroactive Date.** All **wrongful acts** must first take place after the applicable retroactive date shown in the declaration pages of this policy and on or before the expiration of this policy period. A **claim** must also be **first made to us** in writing by *you* during the policy period or during any extended reporting period *we* provide pursuant to the specific condition outlined in this section.

D. Exclusions Applicable to Errors and Omissions Insuring Agreement

1. **The Errors and Omissions Insuring Agreement 1 of this Section does not cover any claim:**
 - a. Or **occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. Arising out of any dishonest, fraudulent, or criminal **wrongful acts** committed by any **insured** or at the direction of any **insured**.
 - c. Arising out of the failure to supply water, electrical power, fuel, or any other utilities.
 - d. For which *you* are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful act** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.
 - e. Resulting from a continuing **wrongful act** which first commences prior to the applicable retroactive date set forth in the declarations pages of this policy.

- f. Arising out of law enforcement activities or the performance of law enforcement duties.
- g. For ***bodily injury, personal injury, or property damage.***

SECTION XII – EMPLOYEE BENEFIT PROGRAM LIABILITY INSURANCE CLAIMS MADE ONLY

A. Employee Benefit Program Liability Insuring Agreement

1. **Employee Benefit Program Liability.** We agree, subject to conditions and exclusions of this Insuring Agreement, to pay on **your** behalf those sums which **you** become legally obligated to pay as **damages** because of a **claim** arising out of a **wrongful act** or related **wrongful acts**, or **personal injury** in the **administration** of an **employee benefit program** against an **insured** which is **first made** in writing to **us** by **you** during this policy period, or any extended reporting period **we** provide. For this insuring agreement, two or more **claims** arising out of a single **wrongful act** or series of related **wrongful acts**, or a **personal injury** offense or a series of related offenses, shall be treated as a single **claim**. This insuring agreement only applies if the incident(s) did not first occur before the retroactive date as stated in the declarations pages or after the end of this policy period, or any extended reporting period **we** provide.

B. Definitions Applicable to Employee Benefit Program Liability Insuring Agreement

1. **"Administration"** means:
 - a. Providing information to employees, including their dependents and beneficiaries, with respect to eligibility for any **employee benefit program**;
 - b. Handling of records in connection with the **employee benefit program**; or
 - c. Affecting, continuing or terminating any employee participation in any **employee benefit program**.
 - d. **Administration** does not mean **your** decision to not offer a particular benefit, plan or program unless that particular benefit is required by law.
2. **"Claim"** means a demand received by **you** for money **damages** alleging a **wrongful act** or **personal injury** of a tortious nature by any **insured**. No **claim** exists where the only monetary **damages** sought or demanded are costs of suit and/or attorney's fees.
3. **"Insured"** means:
 - a. The **Named Insured**;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Employee Benefit Program Liability Insuring Agreement

1. **Retroactive Date.** All **wrongful acts** or all **personal injury** must first take place on or after the applicable retroactive date shown in the declaration pages of this policy and before the expiration of this policy period. A **claim** must also be **first made** to **us** in writing by **you** during the policy period or during any extended reporting period **we** provide pursuant to the specific condition outlined in this section.

D. Exclusions Applicable to Employee Benefit Program Liability Insuring Agreement

1. **The Employee Benefit Liability Insuring Agreement 1 of this Section does not cover any claim:**
 - a. Or **occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.

- b. For which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful act** or **personal injury** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.
- c. Resulting from a continuing **wrongful act** or **personal injury** which first commences prior to the applicable retroactive date set forth in the declarations pages of this policy.
- d. Arising out of law enforcement activities or the performance of law enforcement duties.
- e. For **property damage**.

SECTION XIII – EMPLOYMENT PRACTICES LIABILITY INSURANCE

CLAIMS MADE ONLY

A. Employment Practices Liability Insuring Agreement:

1. **Employment Practices Liability.** *We* agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on *your* behalf those sums which *you* become legally obligated to pay as **damages** because of a **claim** arising from a volunteer, employee, former employee, or applicant for employment resulting from a **wrongful employment practice act** or related **wrongful employment practice acts** against an **insured** which is **first made** in writing to *us* by *you* during this policy period or any extended reporting period *we* provide. For this insuring agreement, two or more **claims** arising out of a single **wrongful employment practice act** or series of related **wrongful employment practice acts** shall be treated as a single **claim**. This insuring agreement only applies if the incident(s) did not first occur before the retroactive date as stated in the declarations pages or after the end of this policy period, or any extended reporting period *we* provide.

B. Definitions Applicable to Employment Practices Liability Insuring Agreement

1. "**Claim**" means a demand received by *you* for money **damages** alleging a **wrongful employment practice act** of a tortious nature by any **insured**. No **claim** exists where the only monetary **damages** sought or demanded are costs of suit and/or attorney's fees. A **claim** shall include complaints filed with the Idaho Human Rights Commission (IHRC) and the Equal Employment Opportunity Commission (EEOC). A **claim** also includes employment contract claims premised upon implied employment contracts.
2. "**Insured**" means:
 - a. The **Named Insured**;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Employment Practices Liability Insuring Agreement

1. **Retroactive Date.** All **wrongful employment practice acts** must take place on or after the applicable retroactive date shown in the declaration pages of this policy and before the expiration of this policy period. A **claim** must also be **first made** to *us* in writing by *you* during the policy period or during any extended reporting period *we* provide pursuant to the specific condition outlined in this section.

D. Exclusions Applicable to Employment Practices Liability Insuring Agreement

1. **The Employment Practices Liability Insuring Agreement 1 of this Section does not cover any claim:**
 - a. Or **occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. For which *you* are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful employment practice act** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.

- c. Resulting from a continuing **wrongful employment practice act** which commences prior to the applicable retroactive date set forth in the declarations pages of this policy.
- d. Arising out of law enforcement activities or the performance of law enforcement duties.
- e. For **bodily injury, personal injury, or property damage**.

SECTION XIV –SEXUAL MOLESTATION LIABILITY INSURANCE CLAIMS MADE ONLY

A. Insuring Agreement Applicable to Sexual Molestation Liability Insurance

1. **Sexual Molestation Liability.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on **your** behalf those sums **you** become legally obligated to pay as **damages** arising out of a sexual molestation **bodily injury claim** or a series of related sexual molestation **bodily injury claims** against an **insured** which is **first made** in writing to **us** by **you** during this policy period, or any extended reporting period **we** provide. This insurance applies to **bodily injury** only if:
 - a. The **bodily injury** is caused by a sexual molestation incident that takes place or a series of related sexual molestation incidents or victims that take place in the coverage territory as specified in the General Conditions section of this policy; and
 - b. The **bodily injury** caused by a sexual molestation or a series of related sexual molestation incidents or victims did not first occur before the retroactive date shown in the declarations pages or after the end of this policy period; and
 - c. Subject to paragraphs a and b of this subsection, Insuring Agreement 1 will only apply if the first incident of sexual molestation **bodily injury** to the injured person(s) takes place on or after the retroactive date and before the end of the policy period, regardless of the number of victims of sexual molestation, or locations where the sexual molestation takes place involving an injured person(s) that take place over one or more policy periods while insured by **us** and whether such incidents of sexual molestation are committed by the same perpetrator or two or more perpetrators acting in concert, all such **bodily injury** to that injured person(s) will be deemed to be **first made** to **us** in writing by **you** during the policy period when the first of such **claims** is made and will be considered a single **claim**, when arising out of the same incident or a series of related incidents or victims of sexual molestation or abuse **bodily injury**.

B. Definitions Applicable to Sexual Molestation Liability Insuring Agreement

1. "**Bodily Injury**" means bodily injury, sickness, disease, shock, fright, mental injury or anguish, emotional distress, or disability sustained by a natural person, including death resulting from any of these at any time resulting from sexual molestation.
2. "**Claim**" means a **suit** or demand made by or for the injured person for monetary **damages** because of alleged or actual **bodily injury** caused by sexual molestation or abuse.
3. "**Insured**" means:
 - a. The **Named Insured**;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Sexual Molestation Liability Insuring Agreement

1. **Retroactive Date.** All sexual molestation or abuse **claims** must take place on or after the applicable retroactive date as shown in the declaration pages of this policy and before the expiration of this policy period. A **claim** must also be **first made** to **us** in writing by **you** during the policy period or during any extended reporting period **we** provide pursuant to the specific condition outlined in this section.

D. Exclusions Applicable to Sexual Molestation Liability Insuring Agreement

1. **With Respect to Insuring Agreement 1 Sexual Molestation Liability Insurance of this Section does not apply:**
 - a. To any **claim, occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. To any **claim** relating to **wrongful employment acts** of the employment of any person, including threatened, actual or alleged discrimination or harassment.
 - c. To any **claim** or suit for which the only monetary **damages** sought are costs of suit and/or attorney's fees.
 - d. Any sexual molestation or abuse **bodily injury claim**:
 - (1.) Based upon, or arising out of, sexual molestation or abuse **bodily injury** which is the subject of any notice given under any policy or policies the term of which has or have expired prior to the inception date of this policy.
 - (2.) Arising out of any sexual molestation or abuse **bodily injury** that first takes place prior to the retro date of this policy.
 - (3.) Caused by any **insured** who is found by a court of law to have committed a criminal act involving sexual molestation or abuse. However, **we** will pay covered **damages** the **named insured** becomes legally obligated to pay as a result of an employee's actions if such obligation is created pursuant to the Idaho Tort Claims Act, another state's similar law or federal law.

SECTION XV –CHEMICAL SPRAYING ACTIVITIES LIABILITY INSURANCE

CLAIMS MADE COVERAGE ONLY

A. Insuring Agreement Applicable to Chemical Spraying Activities Liability Insurance

1. **Chemical Spraying Activities Liability.** *We* agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on **your** behalf those sums which **you** become legally obligated to pay as **damages** because of a **claim** arising out of an **occurrence** for **chemical spraying activities** against an **insured** which is **first made** in writing to **us** by **you** during this policy period, or any extended reporting period **we** provide. For this insuring agreement, two or more **claims** arising out of a single **occurrence** or series of related **occurrences** shall be treated as a single **claim**. All **personal injuries** to one or more persons and/or **property damage** arising out of an **accident** or a continuous or repeated exposure to conditions shall be deemed one **occurrence**. This insuring agreement only applies if the incident(s) did not first occur before the retroactive date as stated in the declarations pages or after the end of this policy period, or any extended reporting period **we** provide.

B. Definitions Applicable to Chemical Spraying Activities Liability Insuring Agreement

1. **"Chemical Spraying Activities"** means the intended dispersal of herbicides, defoliants, insecticides or pesticides or other toxic materials approved by the federal government for the eradication of undesirable plant growth, insects or rodents and the mixing, loading, storage, transportation and disposal of such materials.
2. **"Claim"** means a demand received by **you** for money **damages** alleging a **wrongful act** of a tortious nature by an **insured**. No **claim** exists where the only monetary **damages** sought or demanded are costs of suit and/or attorney's fees.
3. **"Occurrence"** means an **accident** or a continuous or repeated exposure to **chemical spraying activities** which result in **personal injury or property damage** during the policy period and also first commences or was sustained on or after the retroactive date.

C. Specific Conditions to Chemical Spraying Activities Liability Insuring Agreement

1. **Exception to Absolute Pollution Exclusion.** The insurance afforded by this section constitutes an express exception to the Absolute Pollution Exclusion set forth in the General Exclusions section IV of this policy. As an exception to such exclusion, this coverage stands only to pay legally required **damages** for **personal injury or property damage** not to exceed the Limits of Indemnification stated in the policy declarations, and not in any circumstances for natural resource damage claims made or penalties or fines imposed pursuant to state or Federal law.
2. **Retroactive Date.** All **claims** must take place on or after the applicable retroactive date as shown in the declaration pages of this policy and before the expiration of this policy period. A **claim** must also be **first made** to **us** in writing by **you** during the policy period or during any extended reporting period **we** provide pursuant to the specific condition outlined in this section.

D. Exclusions to Chemical Spraying Liability Activities Liability Insuring Agreement

1. To any **claim, occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
2. To any claim or suit for which the only monetary **damages** sought are costs of suit and/or attorney's fees.
3. To any claim for which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a claim under any other policy or policies of insurance.

SECTION XVI -ENDORSEMENTS

THESE ENDORSEMENTS MODIFY THE POLICY.

PLEASE READ THEM CAREFULLY.

Nothing herein contained in any of the listed endorsements shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which these endorsements are attached other than as stated. All other definitions listed in the General Definitions of this Policy apply when not amended within each Endorsement.

SECTION V – PROPERTY AMENDATORY ENDORSEMENT Accidental Discharge of Pollutants Endorsement # 1

Section V – Property is amended by the following:

A. Pollution Exclusion Exception

1. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that section V, Property Insurance, is extended to cover “**pollution cost or expense**” related to an otherwise covered **accident** as covered by section V, Property . This endorsement is limited to \$100,000 per occurrence and in the aggregate.

B. Definitions Applicable to Accidental Discharge of Pollutants Endorsement

1. “**Pollution Cost or Expense**” means any cost or expense arising out of costs incurred by **you** to monitor , clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants** related to any otherwise covered claim as defined in section V Property Insurance. This coverage will apply whether this cost is incurred due to a request, order, or suit by any governmental agency or at the discretion of the **named insured**.

C. Exclusions Applicable to Accidental Discharge of Pollutants Endorsement

1. This endorsement does not extend to any landfill, transfer station, trash or recycling collection facility or any other facility designed primarily for the collection of or transfer of refuse or recycling content or the vehicles and **mobile equipment** association with any such described location.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

SECTION V – PROPERTY AMENDATORY ENDORSEMENT

Terrorism Insurance Physical Damage/Loss Endorsement #2

Section V – Property is amended by the following:

A. Insuring Clause

1. Subject to the terms, limits, conditions and exclusions hereinafter contained, this endorsement insures property as listed in the **schedule of values** attaching to and forming part of this policy (hereinafter referred to as the “Schedule”) against physical loss or physical damage occurring during the period of this policy caused by an Act of Terrorism or Sabotage, as herein defined.
2. For the purpose of this endorsement, an Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
3. For the purpose of this endorsement, an act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

B. Losses Excluded

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage.
4. Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the **named insured** of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of **pollutants** or contaminants, which **pollutants** and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
7. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.
8. Any fine or penalty or other assessment which is incurred by an **named insured** or which is imposed by any court, government agency, public or civil authority or any other person.
9. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses which would otherwise be covered under this endorsement arising from the use of any computer, computer system or computer software program or any

other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

10. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.
11. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by ICRMP in writing prior to such measures being taken.
13. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.
14. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
15. Loss or increased cost as a result of threat or hoax.
16. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
17. Loss or damage caused by mysterious disappearance or unexplained loss.
18. Loss or damage directly or indirectly caused by 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.

C. Property Excluded From Terrorism Coverage:

1. Land or land values.
2. Power transmission, feeder lines or pipelines not on the ***named insured's premises***.
3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its normal operations.
4. ***Aircraft*** or any other aerial device, or watercraft.
5. Any land conveyance, including locomotives or rolling ***stock***, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage.
6. Animals, plants and living things of all types.
7. Property in transit not on the ***named insured's premises***.

D. Conditions

1. **Joint Insureds.** ICRMP's total liability for any loss or losses sustained by any one or more of the ***named insured's*** under this endorsement will not exceed the sum insured shown in the declarations pages. ICRMP shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all ICRM'P's members or any one or more of the ***named insureds***.
2. **Other insurance.** This endorsement shall be excess of any other insurance available to the ***named insured*** covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this endorsement. When this endorsement is written specifically in excess of other insurance covering the peril insured hereunder, this endorsement shall not apply until such time as the

amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this endorsement in excess of the deductible with respect to each and every covered loss.

3. **Situation.** This endorsement insures property located at the addresses stated in the ***schedule of values*** kept on file with ***us*** via the ICRMP database.
4. **Sum Insured.** ICRMP hereon shall not be liable for more than the endorsement aggregate of fifty million dollars (\$50,000,000) for all ICRMP public entity members combined during any policy year.
5. **Deductible.** Each ***occurrence*** shall be adjusted separately and from each such amount the sum stated in the ***schedule of values*** shall be deducted of ten thousand dollars (\$10,000) per occurrence.
6. **Occurrence.** The term “occurrence” shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one “occurrence” shall be limited to all losses sustained by the ***named insured*** at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this endorsement unless the ***named insured*** shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this endorsement.
7. **Debris Removal.** This endorsement also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of property stated in the ***schedule of values*** damaged by an Act of Terrorism or an Act of Sabotage. The cost of removal of debris shall not be considered in determination of the valuation of the property covered.
8. **Due Diligence.** The ***named insured*** (or any of the ***named insured’s*** agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove an insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.
9. **Protection Maintenance.** It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this endorsement and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of ICRMP without ***our*** consent.
10. **Valuation.** It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:
 - a. The repairs, replacement or reinstatement (all hereinafter referred to as “replacement”) must be executed with due diligence and dispatch;
 - b. Until replacement has been effected the amount of liability under this endorsement in respect of loss shall be limited to the actual cash value at the time of loss;
 - c. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this endorsement.
 - d. ICRMP’s liability for loss under this endorsement shall not exceed the smallest of the following amounts:
 - i. The endorsement limit applicable to the destroyed or damaged property,
 - ii. The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,
 - iii. The amount actually and necessarily expended in replacing said property or any part thereof.

- iv. ICRMP will normally expect the **named insured** to carry out repair or replacement of an insured property, but if the **named insured** and ICRMP agree that it is not practicable or reasonable to do this, **we** will pay the **you** an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. **We** will only pay **you** up to the limits of indemnification shown in the declarations pages.
11. **Incorrect Declaration Penalty.** If the values declared as stated in the **schedule of values** are less than the correct insured values as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and **you** shall coinsure for the balance.
12. **Notification of Claims.** **You**, upon knowledge of any **occurrence** likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to **us** within seven (7) days of such knowledge of any **occurrence** and it is a condition precedent to the liability of ICRMP that such notification is given by the **you** as provided for by this endorsement. If **you** make a claim under this endorsement **you** must give **us** such relevant information and evidence as may reasonably be required and cooperate fully in the investigation or adjustment of any claim. If required by **us**, **you** must submit to examination under oath by any person designated by **us**.
13. **Proof of Loss.** **You** shall render a signed and sworn proof of loss within sixty (60) days after the **occurrence** of a loss (unless such period be extended by the written agreement of **us**) stating the time, place and cause of loss, **your** interests and all others in the property, the sound value thereof and the amount of loss or damage thereto. If ICRMP has not received such proof of loss within two years of the expiry date of this endorsement, **we** shall be discharged from all liability hereunder. In any claim and/or action, suit or proceeding to enforce a claim for loss under this endorsement, the burden of proving that the loss is recoverable under this endorsement and that no limitation or exclusion of this endorsement applies and the quantum of loss shall fall upon **you**.
14. **Subrogation.** Any release from liability entered into in writing by **you** prior to loss hereunder shall not affect this endorsement or the right of **you** to recover hereunder. In the event of any payment under this endorsement, **we** shall be subrogated to the extent of such payment to all **your** rights of recovery therefore. **You** shall execute all papers required, shall cooperate with **us** and, upon **our** request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. **We** will act in concert with all other interests concerned (including **a named insured**) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:
- a. Any interest, (including **yours**), exclusive of any deductible or self-insured retention, suffering a loss of the type covered by this endorsement and in excess of the coverage under this endorsement shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
 - b. Out of the balance remaining, **we** shall be reimbursed to the extent of payment under this endorsement;
 - c. The remaining balance, if any, shall inure to the benefit of **you**, or any insurer providing insurance primary to this endorsement, with respect to the amount of such primary insurance, deductible, self-insured retention, and/or loss of a type not covered by this endorsement.
 - d. The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the **named insured**, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of **us**, the expense thereof shall be borne by **us**.
15. **Salvage and Recoveries.** All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this endorsement shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

16. **False or Fraudulent Claims.** If **you** shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this endorsement shall become void and all claims and benefit hereunder shall be forfeited.
17. **Misrepresentation.** If **you** have concealed or misrepresented any material fact or circumstance relating to this endorsement, this endorsement shall become void. If **you** are unsure what constitutes material fact(s) or circumstance(s), **you** should consult **your** agent.
18. **Abandonment.** There shall be no abandonment to ICRMP of any property.
19. **Inspection and Audit.** ICRMP or its agents shall be permitted but not obligated to inspect the property at any time. Neither ICRMP's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **named insured** or others, to determine or warrant that such property is safe. **We** may examine and audit **your** books and records at any time up to two years after the final termination of this endorsement, as far as they relate to the subject matter of this endorsement.
20. **Assignment.** Assignment or transfer of this endorsement shall not be valid except with the prior written consent of ICRMP.
21. **Rights of Third Party Exclusions.** This endorsement is effected solely between the **named insured** and ICRMP. This endorsement shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this endorsement. This clause shall not affect the rights of the **named insured**.
22. **Cancellation by Withdrawing Member/Expulsion.** This endorsement is cancelable by **you** by sending written request of cancellation to **us**. The effective date of the cancellation will be either the date **you** requested or the date **we** received notice, whichever is later. A notice to cancel will be treated as a notice to withdraw from ICRMP. This endorsement is available only through faithful participation as a member of ICRMP. If **you** are expelled or withdraw from ICRMP, all insurance coverage pursuant to this policy is terminated. **You** may be expelled from the program pursuant to the terms and conditions of the Joint Powers Subscriber Agreement effective as of the date of this policy.
23. **Arbitration.** If **you** and **we** fail to agree in whole or in part regarding any aspect of this endorsement, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two (2) chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which **you** shall so fail to agree and shall make an award thereon and the award in writing of any two (2), duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire. The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.
24. **Severable Liability.** ICRMP's obligations under this endorsement are severable and not joint and are limited solely to their individual policies.
25. **Legal Action Against ICRMP.** No one may bring a legal action against ICRMP unless:
 - a. there has been full compliance by **you** with all of the terms of this endorsement and the ICRMP Joint Powers Subscriber Agreement; and
 - b. the action is brought within two (2) years after the expiry or cancellation of this endorsement.
26. **Material Changes.** **You** shall notify **us** of any change of circumstances which would materially affect this Insurance.
27. **Experts Fees.** This endorsement includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing an insured property following damage insured under this endorsement.
28. **Law.** As specified in the General Conditions of this policy.

29. **Jurisdiction.** As specified in the General Conditions of this policy.
30. **Service of Suit.** This service of suit clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration provision within this endorsement. This clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such arbitration provision for resolving disputes arising out of this endorsement. It is agreed that in the event of the failure of **us** hereon to pay any amount claimed to be due hereunder, **we** hereon, at the request of the **named insured**, will submit to the jurisdiction of a court of competent jurisdiction within Idaho. Nothing in this clause constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any court of competent jurisdiction in Idaho, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon ICRMP representatives and that in any suit instituted against any one of them upon this endorsement, ICRMP will abide by the final decision of such court or of any appellate court in the event of an appeal.
31. **Legal Service.** Any summons, notice or process to be served upon ICRMP for the purpose of instituting any legal proceedings against it in connection with this endorsement may be served upon the Executive Director of ICRMP who has authority to accept service.
32. **Definitions.** All defined terms are controlled by Section 1, General Definitions and section V, Property, unless otherwise amended or clarified within this endorsement.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

Cyber and Technology Liability Endorsement # 3

THIS ENDORSEMENT IS LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST YOU AND REPORTED IN WRITING TO US DURING THE POLICY PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY.

I. Insuring Agreements

A. Third Party Liability Coverages

1. Media. **We** will pay on **your** behalf **claim expenses** and **damages** that **you** are legally obligated to pay as the result of a **claim first made** against **you** during the policy period or extended reporting period (if applicable) alleging a **media wrongful act** by **you**. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$1,000,000 with a Combined Aggregate Endorsement Limit of \$4,000,000.
2. PCI DSS Coverage. **We** will reimburse **you** for **PCI DSS fines and costs** that **you** are legally obligated to pay as the result of a **claim first made** against **you** during the policy period alleging a **PCI DSS wrongful act** by **you** or an **outsourced provider**. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$100,000.
3. Privacy and Cyber Security. **We** will pay on **your** behalf **claim expenses** and **damages** that **we** are legally obligated to pay as the result of a **claim first made** against **you** during the policy period or extended reporting period (if applicable) alleging a **privacy and security wrongful act** by **you**, an **outsourced provider** or a **rogue employee**. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$1,000,000 with a Combined Aggregate Endorsement Limit of \$4,000,000.
4. Privacy Regulatory Defense, Awards and Fines. **We** will pay on **your** behalf **claim expenses** and **regulatory damages** that **we** are legally obligated to pay as the result of a **privacy regulatory action**. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$1,000,000 with a Combined Aggregate Endorsement Limit of \$4,000,000.
5. Supplemental Third Party Liability Prevention. Upon **our** exhaustion of the retention applicable to this endorsement under which **we** are providing coverage, **we** will pay for **claim avoidance costs**, at **our** sole discretion that **we** thereafter incur as a direct result of **our** reasonable investigation of a potentially covered circumstance that **you** report to **us**. Notice of such **claim avoidance costs** will be part of, and not in addition to, the limit of liability, as stated in the Declarations page, and will in no way serve to increase or supplement such aggregate limit of liability. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$1,000,000 with a Combined Aggregate Endorsement Limit of \$4,000,000.

B. First Party Coverages

1. Data Recovery. **We** will reimburse **you** for **data recovery expenses** that **you** incur directly resulting from a **cyber-security breach**. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$1,000,000 with a Combined Aggregate Endorsement Limit of \$4,000,000.
2. Cyber-Extortion. **We** will reimburse **you** for **cyber-extortion expenses** that **you** incur directly resulting from and in response to a **cyber-extortion threat**. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$1,000,000 with a Combined Aggregate Endorsement Limit of \$4,000,000.

C. Data Breach Response and Crisis Management Coverage.

1. **We** will pay **data breach response and crisis management costs** that **you** incur resulting from a **data breach** for a continuous twelve (12) month period beginning as soon as notice of the **data**

breach is first provided to **us** by **you**. Provided, however, coverage under this Insuring Agreement is **sublimited** to \$1,000,000 with a Combined Aggregate Endorsement Limit of \$4,000,000.

D. Conditions.

1. The coverage provided under Media, Privacy and Cyber Security and Privacy Regulatory Defense, Awards and Fines shall apply only if:
 - a) the first such **third party wrongful act** or **related matter** occurs on or after the **retroactive date** as stated in Declarations pages and prior to the Policy expiration date, as stated in the Declarations page;
 - b) prior to the Policy's effective date on the declarations page, or that of the first such policy issued and continuously renewed by **us**, of which this endorsement is a renewal, no executive officer knew or could have reasonably foreseen that such **third party wrongful act** or **related matter** did or likely would result in a **claim**;
 - c) the **claim** is reported to **us** during the policy period or extended reporting period (if applicable) and is reported in accordance with the endorsement provisions; and
 - d) notice of such **third party wrongful act** or **related matter** alleged or contained in any **claim** or in any circumstance has not been provided under any other prior policy of which this endorsement is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by **us** or other entity.
2. The coverage provided under First Party Coverages and Data Breach Response and Crisis Management Coverage shall apply only if:
 - a) an executive officer first becomes aware of such **first party incident** or **related matter** during the policy period;
 - b) such **first party incident** is reported to **us** during the policy period or automatic extended reporting period (if applicable) and is reported in accordance with the endorsement; and
 - c) notice of such **first party incident** or **related matter** has not been provided under any prior policy of which this endorsement is a renewal or replacement, or any subsequent endorsement, irrespective of whether such prior or subsequent policy was issued by **us** or other entity.

II. **Defense and Settlement**

A. Defense.

1. **We** have the right and duty to defend any **claim** seeking **damages** covered under Media, Privacy and Cyber Security and Privacy Regulatory Defense, Awards and Fines made against **you** even if the allegations in the **claim** are groundless, false or fraudulent. **We** will select and appoint defense counsel.

B. Settlement.

1. **We** have the right to settle a **claim**. All such payments by **us** are subject to Liability and Retention limits as stated in the declarations pages. Notwithstanding the foregoing, **we** shall have the right but not the duty to participate in the continuing defense of such **claim**.

III. **Limit of Liability and Retention**

A. Limit of Liability Option. **We** shall elect the endorsement limits to apply on a Combined Limits or Separate Limits basis.

1. Combined Limits

- a) If **we** elect Combined Limits then the endorsements Combined Policy Aggregate Limit is **our** maximum liability for loss under all Insuring Agreements combined, inclusive of **data breach response and crisis management costs** regardless of the number of **claims**, Insuring Agreements triggered or individuals or entities making **claims**. Upon exhaustion of such limit of liability, **we** will not be liable to pay any further loss with respect to this endorsement.
 - b) If a **sublimit** with respect to an Insuring Agreement is stated, then such **sublimit** will be **our** maximum liability for loss with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, **we** will not be liable to pay any further loss with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, this endorsement's Combined Policy Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
2. Separate Limits. If **we** elect Separate Limits then the Endorsement's:
- a) Third and First Party Aggregate Limit, on the Declarations page and the PCI DSS Coverage **sublimit** as stated, is **our** maximum liability for all **damages, claim expenses, regulatory damages, PCI DSS Fines and Costs, loss of business income, extra expense, data recovery expenses, cyber-extortion expenses** and **claim avoidance costs** for all Third Party Liability Coverages and First Party Coverages, regardless of the number of **insureds, claims, first party incidents**, or individuals or entities making **claims**. If a **sublimit** with respect to an Insuring Agreement is stated then such **sublimit** will be **our** maximum liability for loss with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, **we** will not be liable to pay any further loss with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, the Policy's Third Party Liability and First Party Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
3. Data Breach Response and Crisis Management Aggregate Limit of Liability
- a) Data Breach Response and Crisis Management Aggregate Limit is **our** maximum liability for all **data breach response and crisis management costs** for Data Breach Response and Crisis Management Coverage regardless of the number of **data breaches**.
4. Exhaustion of Limit
- a) Upon exhaustion of the Combined Policy Aggregate Limit of Liability under the Combined Limits option or the Third Party and First Party Aggregate Limit of Liability or the Data Breach Response and Crisis Management Aggregate Limit of Liability under the Separate Limits option or after **we** may deposit or escrow with a court of competent jurisdiction any amounts remaining in the Endorsement's aggregate limit of liability prior to exhaustion, **we** will not be liable to pay any further loss under the endorsement.

B. Retentions.

1. Solely with respect to coverage provided on a Combined Limits basis, **we** are liable only for that portion of covered **damages, regulatory damages, PCI DSS Fines and Costs** and **claim expenses** resulting from a **third party wrongful act** and for that portion of covered **first party costs** resulting from a **first party incident** that is in excess of the applicable Insuring Agreement's retention amount. If more than a single retention applies to a **claim** and/or **first party incident**, then **you** are responsible for paying the highest applicable retention.
2. Solely with respect to coverage provided on a Separate Limits basis, **we** are liable only for that portion of covered **damages, regulatory damages, PCI DSS Fines and Costs** and **claim expenses** resulting from a **third party wrongful act** and for that portion of any covered **loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs** and **claim avoidance costs** resulting from a **cyber-security breach** or **cyber-extortion threat** that is in excess of the applicable Insuring

Agreement's retention amount. If more than a single retention applies to a claim and/or **first party incident**, then **you** are responsible for paying the highest applicable retention.

3. As respects Data Breach Response and Crisis Management Coverage a separate retention will apply and **we** are liable only for that portion of any covered **data breach response and crisis management costs** directly resulting from a **data breach**.

C. Related Matters and Related Losses.

1. Related Third Party Wrongful Acts

- a) Covered **claims** resulting from **related matters** will be treated as a single **claim first made** against **you** at the time the first such **related matter** occurred irrespective of whether such **related matter** occurred prior to or during the policy period and irrespective of the number of **related matters**, the identity or number of **insureds** involved, or the number and timing of such **related matters**.

2. Related First Party Incidents

- a) All **related matters** involving **first party incidents** (other than **cyber-extortion threats**) will be considered a single **first party incident** which shall be deemed to have been discovered on the date on which the earliest such **first party incident** was discovered by **you**.
- b) All **related matters** involving **cyber-extortion threats** will be considered a single **cyber-extortion threat** first occurring on the date the first such **cyber-extortion threats** occurred.

3. Related Loss

- a) All loss will be considered a single loss occurring on the date the first **related matter** giving rise to such loss first occurred or is first discovered, irrespective of the number of **related losses**, the identity or number of **insured's** involved or the number and timing of such **related losses**.

IV. Definitions

A. Breach Response Providers means **our** pre-approved breach response providers available upon request.

B. Claim means

1. A written demand for monetary **damages**, services, or injunctive or other non-monetary relief;
2. A civil proceeding for monetary **damages**, services, or injunctive or other non-monetary relief that is commenced by service of a complaint or similar pleading, including any appeal thereof;
3. A mandatory arbitration or other mandatory alternative dispute resolution proceeding for monetary **damages**, services, or injunctive or other non-monetary relief that is commenced by a written demand, including any appeal thereof, or a non-mandatory arbitration or other alternative dispute resolution proceeding to which **we** have consented in writing; and
4. A **privacy regulatory action** with respect Privacy Regulatory Defense, Awards and Fines.

C. Claim Expenses means

1. Reasonable and necessary fees for the defense of a covered **claim** defended by an attorney selected by **us**, for Defense and Settlement as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a covered **claim**; and
2. Premiums on appeal bonds, attachment bonds or similar bonds, but **we** are not obligated to apply for or furnish any such bond.

D. Claim Avoidance Costs means

1. Those costs incurred by **us** whose intention is to avert a **claim** that may arise from a circumstance **you** report in accordance with Notice of Circumstance.
2. Claim Avoidance Costs do not include:
 - a) payments recoverable by **you**;
 - b) any element of profit for **you**;
 - c) any charge or credit against any fee owed or payable to **you**; and
 - d) costs, fees or other expenses **you** incur to establish or document the existence or amount of **claim avoidance costs**.

E. Confidential Business Information means

1. Any non-public third party business information, whether encrypted or unencrypted, that cannot be lawfully obtained or known by the general public, including trade secrets, customer lists, drawings, financial information and marketing plans that are provided to **you** by a third party.

F. Consumer Redress Amount means that sum of money that **you** are legally obligated to deposit in a fund for the payment of consumer **claims** as the result of a litigated **privacy regulatory action** or by written agreement by the claimant, **you** and **us**.

G. Cyber-Extortion Expenses means

1. Reasonable and necessary money, property or other consideration surrendered as payment by or on behalf of **you** to which **we** have consented, such consent may not be unreasonably withheld, in order to avert or limit a **cyber-extortion threat**, and
2. The reasonable and necessary costs agreed to by **you** and **us** to conduct an investigation to determine the cause and scope of a **cyber-extortion threat**.

H. Cyber-extortion threat means

1. A threat against a **network first made** by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments in consideration for the elimination, mitigation or removal of the threat during the policy period to:
 - a) disrupt **your** business operations;
 - b) alter, damage, or destroy data stored on the **network**;
 - c) use the **network** to generate and transmit malware to third parties;
 - d) deface **your** website; and
 - e) access **personally identifiable information, protected health information** or **confidential business information** stored on the **network**.

I. Cyber Security Breach means any unauthorized: access to, use or misuse of, modification to the **network**, and/or denial of **network** resources by attacks perpetuated through malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks.

J. Damages means

1. Compensatory **damages** resulting from a judgment, award or settlement agreement, including pre-judgment and post-judgment interest, which **you** become legally obligated to pay on account of a covered **claim**; and
2. Punitive and exemplary **damages**, if the insuring of punitive and exemplary **damages** is permitted under the laws and public policy of the jurisdiction under which the endorsement is construed. Enforceability of punitive and exemplary **damages** will be governed by the applicable law that most favors coverage for such punitive and exemplary **damages**.

Damages do not include:

3. the return of any fees paid to **you** or the offset of any future fees to be charged by or owed to **us**;
 4. lost investment income;
 5. costs incurred by **you** to withdraw or recall **technology products**, including products that incorporate an **Insured's technology products, technology services or professional services**;
 6. costs incurred by **you** to correct, re-perform or complete any **technology services or professional services**;
 7. costs incurred by **you** or by a third party at the direction of **us** to remediate, repair, replace, restore, modify, update, upgrade, supplement, correct or otherwise improve a **network** to a level of functionality beyond that which existed prior to a **cyber-security breach**;
 8. civil or criminal fines or penalties or compliance violation remedies imposed on **you**; provided, however, this provision does not apply to the coverage provided under Privacy Regulatory Defense, Awards and Fines;
 9. liquidated damages in a written contract or agreement in excess of **your** liability that otherwise result from a **third party wrongful act**;
 10. the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer;
 11. any amounts incurred prior to **you** providing notice of a **claim**;
 12. the value of non-monetary relief, including any amount attributable to or arising therefrom; and
 13. royalty or licensing fees or payments.
- K. Data Breach means the actual or reasonably suspected by an executive officer theft, loss or unauthorized acquisition of data, which an executive officer first becomes aware of during the policy period that has or may compromise the security, confidentiality and/or integrity of **Personally Identifiable Information, protected health information or confidential business information**.
- L. Data Breach Response and Crisis Management Costs means
1. Costs charged by **Breach Response Providers** to:
 - a) determine the legal applicability of and actions necessary to respond to a **data breach** reporting requirement;
 - b) perform computer forensics to determine the existence, cause and scope of a **data breach or cyber security breach**;

- c) notify individuals of a **data breach** who are required to be notified pursuant to any **data breach** reporting requirement;
 - d) voluntarily notify individuals of a **data breach** who may not be required to be notified under an applicable **data breach** reporting requirement;
 - e) operate a call center to manage **data breach** inquiries;
 - f) provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **Personally Identifiable Information** was or may have been breached;
 - g) provide medical identity restoration for those individuals whose **protected health information** was or may have been breached;
 - h) minimize harm to **your** reputation by hiring a public relations or crisis communications firm, and
2. Any reasonable and necessary costs charged by a qualified provider who is not a **Breach Response Providers** and who **we** have consented in writing, such consent may not be unreasonably withheld, prior to the services being rendered to provide comparable services to those detailed in 1.(a) through 1.(h) above; provided, however, the maximum rate **we** will pay for such services shall not exceed the **Breach Response Providers** pre-negotiated rates; and
3. Costs charged by a PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data.

M. Data Recovery Expenses means

- 1. Reasonable and necessary costs incurred by **you** with **our** prior written consent, such consent may not be unreasonably withheld, to:
 - a) determine whether damaged or destroyed computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
 - b) replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the **network** to substantially the form in which it existed immediately prior to a **cyber-security breach**.

N. Extra Expense means reasonable and necessary expenses in excess of **your** normal operating expenses that **you** incur to minimize, reduce or avoid **loss of business income**; provided, however, such **extra expense** shall not exceed the amount that would have been incurred as **loss of business income**.

O. First Party Costs means any **loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs** and **claim avoidance costs**. **First party costs** do not include any amounts incurred prior to **you** providing notice of the **first party incident**.

P. First Party Incident means a **cyber-security breach, cyber-extortion threat** or **data breach**.

Q. Loss means all **damages, claim expenses, regulatory damages** and **first party costs** and **PCI DSS Fines and Costs**.

R. Loss of Business Income means

- 1. Net income (net profit or **loss** before income taxes) that could have been reasonably projected to would have been earned or net **loss** that would have been avoided; and

2. Continuing normal and reasonable operating expenses, including payroll. A **loss of business income** calculation is based upon the amount of actual **loss of business income you** sustain per hour during the **period of restoration**.
- S. Matter means the content of any communication of any kind whatsoever, whether public or private, regardless of the nature or form of such content or the medium by which such content is communicated, including but not limited to language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphical materials.
- T. Media Wrongful Act means
1. Any:
 - a) libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
 - b) copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan, trademark, trade name, service mark or service name;
 - c) common law unfair competition or unfair trade practices alleged in conjunction with the acts described above;
 - d) invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
 - e) infliction of emotional distress or mental anguish;
 - f) false arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
 - g) plagiarism, piracy or misappropriation of ideas under implied contract; and
 - h) economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of **matter** which is false or erroneous, resulting from **your** acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering through:
 - i) traditional media such as cable television, radio, movie and music studios, newspapers, magazines, books and print publications; and/or
 - j) digital media such as Internet-based concepts, like website or applications, or digital mediums, such as CD-ROMs and DVDs.
- U. Merchant Services Agreement means an agreement between **you** and a financial institution, credit/debit card company, credit/debit card processor or Independent service operator enabling **you** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.
- V. Network means a connected system of computing hardware, software, firmware and associated electronic components under the ownership, operation or control of, or leased by **you**.
- W. Outsourced Provider means any third party, including a cloud service provider, to which **you** have contracted to provide **professional services** or to process, maintain or transmit **Personally Identifiable Information, protected health information or confidential business information** on behalf and for the benefit of **you** and for whose acts and omissions **you** are legally responsible.
- X. Period of Restoration means
1. That period of time that begins at the end of the **waiting period** and which continues until the earlier of:

- a) the date **your** operations are restored to the condition that existed immediately prior to the **cyber security breach**; or
 - b) one hundred-twenty (120) days after the date of the **cyber security breach**.
- Y. Personally Identifiable Information means any information, whether printed or digital, encrypted or unencrypted, in an **Insured's** or **outsourced provider's** care, custody or control, that singly or in combination can uniquely identify an individual, including but not limited to such information as name, social security number, address, birth date, physical characteristics, IP address, biometric record, unique mobile device identifier, geo-location data, mobile telephone number, email address, user name, text message or email, call log, contacts and address book entries, financial or payment information, health or medical information, photos or videos or internet browsing history and non-public personal information as defined by the Gramm-Leach-Bliley Act; provided, however, **Personally Identifiable Information** does not include information that is lawfully available to the general public.
- Z. PCI DSS Fines and Costs means monetary fines, fraud recoveries, operational reimbursement and assessments owed by **you** under the contractual obligations of a **Merchant services agreement**. Provided, however, **PCI DSS Fines and Costs** does not mean interchange fees, discount fees or prospective service fees.
- AA. PCI DSS Wrongful Act means any actual or alleged failure to comply with PCI Data Security Standards resulting from a cyber-security breach or **privacy and security wrongful act**.
- BB. Privacy and Security Wrongful Act
- 1. Any:
 - a) **Loss** of or failure to protect **Personally Identifiable Information, protected health information** or **confidential business information**;
 - b) violation of any law, statute or regulation governing the authenticity, availability, confidentiality, storage, control, disclosure, integrity or use of **Personally Identifiable Information** or **protected health information**;
 - c) violation of a **data breach** reporting requirement;
 - d) failure to reasonably implement privacy or security practices required by governmental law or regulations; and
 - e) failure to prevent a cyber-security breach that results in:
 - (1) the inability of an authorized user to gain access to the **network**;
 - (2) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on the **network**;
 - (3) a denial of service attack emanating from the **network** which damages or destroys third party's hardware, computer programs or electronic data residing on a third party's **network**; or
 - (4) the transmission of malware from the **network** to third parties.
- CC. Privacy Regulatory Action means a written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental or regulatory authority first initiated during the policy period against **you** that results from an actual or alleged **privacy and security wrongful act** by **you**, an **outsourced provider** or a **rogue employee**.
- DD. Privacy Regulatory Fine means a civil monetary fine or penalty imposed on **you** by a governmental or regulatory authority.

- EE. Professional Service means the services stated in this endorsement.
- FF. Protected Health Information means all protected and individually identifiable health information, whether printed or digital, encrypted or unencrypted, held or transmitted by **you** or **your** business associate, as those terms are defined by HITECH, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto, including the Health Information Technology for Economic and Clinical Health Act and final Omnibus Rule issued on January 17, 2013.
- GG. Regulatory Damages means any **consumer redress amount** and **privacy regulatory fines**.
- HH. Related Losses means all **losses** that are directly or indirectly based upon, caused by, or result or arise from the same, similar or continuous **claims** or **first party incidents**.
- II. Related Matters means
1. All **third party wrongful acts** that are directly or indirectly based upon, caused by, or result or arise from the same, similar or a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically, causally or otherwise related or connected; and
 2. All **first party incidents** that are directly or indirectly based upon, caused by, or result or arise from the same, similar or a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically, causally or otherwise related or connected.
- JJ. Retroactive Date means the applicable date stated in on the Declarations page for each Insuring Agreement in Third Party Liability Coverages.
- KK. Rogue Employee means **your** employee who deliberately acts outside the course and scope of employment and whose intentional conduct results in a **claim**; provided, however, **rogue employee** does not include an executive officer.
- LL. Sublimit means the applicable amount, if any, stated on the Declarations page for each Insuring Agreement within each Coverage Section.
- MM. Technology and Professional Services Wrongful Act means
1. Any:
 - a) act, error, omission, neglect, negligent misrepresentation or breach of duty;
 - b) injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials;
 - c) infringement of an intellectual property right except as otherwise excluded in Patent and Trade Secrets;
 - d) the failure of **technology products** to perform the intended function or serve their intended purpose; and
 - e) the failure of **technology services, professional services** or **technology products** to meet any applicable legal standard concerning quality, safety or fitness for a particular purpose.
- NN. Technology Products means
1. Computer or telecommunications hardware or software products, components or peripherals or electronic products or components:
 - a) created, designed, distributed, manufactured, or sold by or on behalf and for the benefit of a **named insured**; and

- b) leased or licensed by **you** to third parties, including software updates, service packs and other maintenance releases provided for such products.
- OO. Technology Services means any computer, cloud computing, information technology, telecommunication, electronic services and any related consulting and staffing services including but not limited to data processing, data and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), **network** as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, **network** design and Internet service.
- PP. Third Party Wrongful Act means a **technology and professional services wrongful act**, **media wrongful act** and **privacy and security wrongful act** and **PCI DSS wrongful act**.
- QQ. Waiting Period means the number of hours stated on the Declarations page that must elapse prior to commencement of the **period of restoration**.

II. Exclusions

The Policy does not apply to any **claim** or **first party incident** alleging, arising out of, based upon or attributable to:

A. Deliberate Acts

1. Dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious:

- a) acts, errors or omissions; or
- b) willful violations of law, including privacy laws or regulations, by an **Insured**, other than a **rogue employee** as applicable; provided, however, **we** will provide **you** with a defense of any otherwise covered **claim** and pay any otherwise covered **claim expenses** until it has been finally determined that such dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious conduct was committed by **you** or by way of a plea by **you** of guilt or no contest, at which time **you** shall reimburse **us** for all **claim expenses**. Notwithstanding the foregoing, criminal proceedings are not covered under the endorsement regardless of the allegations made against **you**. For the purposes of determining the applicability of this exclusion the knowledge of or conduct by:

- (1) a natural person insured will not be imputed to any other natural person insured; and
- (2) an executive officer will be imputed to **you**.

B. Personal Profit

- 1. The gaining of any profit, remuneration, or financial or non-financial advantage by **you** to which **you** would not be entitled; provided, however, **we** will provide **you** with a defense of any otherwise covered **claim** and pay any otherwise covered **claim expenses** alleging any such gain until it has been finally determined that such gain was improper or illegal, at which time **you** shall reimburse **us** for all **claim expenses**.

C. Uninsurable Matters

- 1. **Matters** deemed uninsurable under the law pursuant to which the endorsement is construed.

D. Prior Acts

- 1. **Third party wrongful acts** occurring prior to the **retroactive date** and **first party incidents** discovered prior to the effective date.

E. **Bodily Injury and Property Damage**

1. **Bodily injury**, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including **loss** of use thereof whether or not it is damaged or destroyed; provided, however, this exclusion will not apply to any otherwise covered **claim** for emotional distress, mental injury, mental tension or mental anguish, pain and suffering, humiliation or shock that directly results from a covered **third party wrongful act**.

F. Employment Practices

1. The following actually or allegedly occurring in connection with a person's employment or application for employment with **you**: discrimination, retaliation, sexual or any other type of harassment, wrongful dismissal, discharge or termination, whether actual or constructive, wrongful discipline, wrongful deprivation of career opportunity, wrongful demotion or change in employment status, wrongful evaluation, negligent hiring, discipline, supervision or retention, failure to promote, failure to grant tenure, employment related misrepresentation, failure to adopt or comply with adequate workplace or employment policies or procedures, failure to train, breach of any oral, written, or implied employment contract; provided, however, this exclusion shall not apply to an otherwise covered **claim** under Privacy and Cyber Security.

G. Owned Entity

1. **Claims** made against **you** if, at the time the **third party wrongful act** giving rise to such **claim** was committed:
 - a) **you** controlled, owned, operated or managed the claimant; or
 - b) **you** were an owner, partner, director, officer or employee of the claimant.

H. Insured Versus Insured

1. **Claim** made against **you** and brought by, or on behalf of **you** or parent company, successor or assignee of an **Insured**; provided, however, this exclusion shall not apply to an otherwise covered **claim** made by any past, present or future officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of **yours**, only outside of their capacity and pursuant to their authority as such.

I. ERISA

1. Breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA, the Employee Retirement Income Security Act of 1974, or any analogous federal, state or local statutory or common law; provided, however, this exclusion shall not apply to an otherwise covered **claim** under Privacy and Cyber Security.

J. Securities

1. The purchase, sale, or offer or solicitation of an offer to purchase, sell or solicit securities or any violation of a securities law, including the Securities Act of 1933, the Securities Exchange Act of 1934, and any regulation promulgated under or pursuant to the foregoing, or any federal, state or local laws analogous to the foregoing (including "Blue Sky" laws), whether such law is statutory, regulatory or common law.

K. RICO

1. Violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or "RICO") and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory or common law.

L. Antitrust and Unfair Competition

1. Unfair methods of competition and unfair or deceptive acts or practices including deceptive advertising and pricing, price fixing, restraint of trade, monopolization or any violation of the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, or any other federal, state or local law, whether statutory, regulatory or common law, addressing anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade; provided, however, this exclusion shall not apply to an otherwise covered **claim** under Privacy and Cyber Security and an otherwise covered **claim** resulting from **Media wrongful act** under Media.

M. Unsolicited Communications

1. Unsolicited electronic dissemination of faxes, e-mails or other communications by or on behalf of **you** to actual or prospective customers of **yours** or any other third party, including but not limited to actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 or other analogous federal, state or local statute, law, regulation or common law; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a cyber-security breach under Privacy and Cyber Security.

N. Patent

1. Actual, alleged or attempted infringement, misappropriation, dilution, misuse or inducement to infringe, misappropriate, dilute or misuse any patent or patent right.

O. Trade Secrets

1. Actual, alleged or attempted or misappropriation of trade secrets; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a cyber-security breach under Privacy and Cyber Security.

P. Contractual

1. Any obligation **you** have under written contract; provided, however, this exclusion shall not apply to liability **you** would have in the absence of a contract or an **your**:
 - a) breach of an exclusivity or confidentiality provision contained in a written agreement;
 - b) violation of an intellectual property right except a violation of a patent right;
 - c) negligent performance of **technology services** or **professional services** for a client or customer; or
 - d) provision of **technology products** to a client or customer which contain a material defect.
 - e) breach of a **Merchant services agreement**.

Q. Force Majeure

1. Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.

R. Infrastructure Failure

1. Electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under an **Insured's** operational control, however caused, including but not limited to any electrical power interruption, short-circuit, surge, brownout or blackout.

S. Governmental Orders

1. Any court order or demand requiring **you** to provide law enforcement, administrative, regulatory or judicial body or other governmental authority access to **Personally Identifiable Information, protected health information or confidential business information.**

T. Over-Redemption

1. Price discounts, prizes, awards, coupons or any other valuable consideration given in excess of the contracted or expected amount.

U. Unauthorized Collection And Use

1. Unauthorized or unlawful collection, acquisition or use of **Personally Identifiable Information or protected health information**; provided, however, this exclusion shall not apply to a **claim** directly resulting from the acts of a **rogue employee.**

III. Notice

A. Notice Of Circumstance

1. Solely with respect to Media, Privacy and Cyber Security and Privacy Regulatory Defense, Awards and Fines, if during the policy period or the extended reporting period (if applicable), **you** first become aware of any circumstance that may reasonably be expected to be the basis of a **claim** against an **Insured**, and if during the policy period **you** provides **us** written notice of the circumstance along with any **third party wrongful act**, the reasons for anticipating such **claim**, with full particulars as to the dates, persons and entities involved, then any resulting **claim** that is both **first made** against **you** and reported to **us** during the policy period or the extended reporting period (if applicable) that arises out of such circumstance or **related matter** will be considered made at the time such notice of circumstance was provided.

B. Notice Of Claim And First Party Incident

1. **You**, as a condition precedent to the obligations of **ours** under the endorsement, must provide to **us** written notice of any **claim** made against **you** and any **first party incident** discovered as soon as reasonably practicable after an executive officer becomes aware of such **claim** or **first party incident.**

C. Notice To Whom

1. Notice of a **claim** and/or **first party incident** must be provided to **us** and notice of a **third party wrongful act** or circumstance may be reported to **us** as stated in on the Declarations page.
2. In addition to the notice requirement above, notice of a **first party incident** must also be provided to **us** on the Declarations page.
3. The email/certified post mail defined above shall be deemed effective when received by **us.**

D. When A Claim Is Deemed Made

1. A **claim** will be deemed made pursuant to definition of **claim** clause:
 - a) on the earliest date an executive officer receives the first written demand;
 - b) on the date of service; and
 - c) on the date an executive officer receives written notice of such action.

E. Insured's Claim And First Party Incident Obligations

1. In connection with a: **claim**, **you** will, as a condition precedent to the obligations of **us** under the endorsement, provide **us** with all information that **we** reasonably require, including full particulars as to the dates, persons and entities involved in the claim and the manner in which **you** first became aware of the **claim**;
2. **First party incident**, as a condition precedent to the obligations of **us** under the endorsement, **you** will provide **us** proof of loss, duly sworn to, with full particulars, within three (3) months after the first discovery by an executive officer of the **first party incident** (other than a **cyber-extortion threat**) or first occurrence of the **cyber-extortion threat**.

F. Assistance And Cooperation

1. **You** will reasonably cooperate with **us** and upon **our** request: assist **us** in the investigation of any third party wrongful (a) act and **first party incident**.
 - a) attend hearings, depositions and trials;
 - b) assist us in defending and effecting settlements of **claims**;
 - c) secure and provide evidence which includes but not limited to obtain the attendance of witnesses;
 - d) allow **us** to participate in the handling and management of any suit or proceeding;
 - e) assist **us** in enforcing any right, contribution or indemnity against a third party which may be liable to **you**; and
 - f) allow a computer forensics expert access to systems, files and information.
2. **You** will take all reasonable steps to limit and mitigate any **loss** arising from any **third party wrongful act** or **first party incident** for which coverage may be or is sought under the endorsement. **You** will do nothing which in any way increases **our** exposure under the endorsement or in any way prejudices **our** potential or actual rights of recovery.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

**SECTION IX – GENERAL LIABILITY INSURANCE AMENDATORY
ENDORSEMENT
Public Land Fire Suppression Endorsement #4**

Section IX – General Liability Insurance is amended by the following:

A. Insuring Agreements Applicable to Public Land Fire Suppression Liability

1. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that section IX, General Liability Insurance, is extended to pay for legally obligated and statutorily allowable costs imposed by state or federal government agencies specifically related to the suppression of fire only if such costs arise out of a covered **occurrence**. This endorsement is limited to \$500,000 per occurrence and in the aggregate, annually.

B. Exclusions Applicable to Public Land Fire Suppression Liability

1. This endorsement under any circumstance will not pay for penalties or fines imposed pursuant to state or federal law.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

SECTION IX – GENERAL LIABILITY AMENDATORY ENDORSEMENT Terrorism Liability Coverage # 5

Section IX General Liability is amended by the following:

With respect to Insuring Agreement 1

We agree to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** because of **bodily injury** or **property damage** caused by an act of **terrorism**. This coverage is sublimited to \$500,000 per occurrence. The limits of indemnification shall be reduced by all sums paid by worker's compensation benefits or similar disability law if the claimant is **your** employee or volunteer.

For the purpose of this endorsement, **terrorism** means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

SECTION V – PROPERTY AMENDATORY ENDORSEMENT Asbestos Remediation Endorsement # 6

Section V – Property is amended by the following:

Section V does not cover

- A. Asbestos removal from any good, product or structure unless the asbestos is itself damaged by fire, lightning, **aircraft** impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective system.
- B. Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos;
- C. Any governmental direction or request declaring that asbestos present in or part of or utilized on any undamaged portion of an **insured's** property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

ICRMP

Multi-Lines

Insurance Policy

This Policy of Insurance is issued by ICRMP for all public entity Members to be effective 12:01 A.M., October 1, 2016 for one-year thereafter, unless sooner terminated, for all continuing Members pursuant to and consistent with the Joint Powers Subscribers Agreement approved by the ICRMP Board of Trustees to be effective for the policy year beginning at the time above stated.

ICRMP provides access to its program through Idaho independent agents. Our program's growth and stability have been enhanced by the agents we have authorized to work with you. We pay your agent a fixed percentage of the member contribution you pay us. This compensation is to encourage independent agents to recommend ICRMP to public entities and to compensate agents for their services and expertise. If you have questions regarding your agent's compensation please contact us.

**VEHICLE INSURANCE IDENTIFICATION CARD
STATE OF IDAHO**

Idaho Counties Risk Management Program, Underwriters
3100 Vista Avenue, Suite 300, P.O. Box 15249
Boise, Idaho 83715

This Certificate may be used in lieu of the original Contract of Liability Insurance to demonstrate the current existence of liability insurance while such contract is in effect.

**THIS POLICY COVERS ALL VEHICLES
OWNED OR LEASED.**

Policy Number: **36A15014100116** contains minimum liability insurance to meet the requirements of Idaho Code, Section 49-245.

EFFECTIVE DATES: **NAME AND ADDRESS OF INSURED:**
October 1, 2016 **Sun Valley Air Service Board**
Continuous **PO Box 416**
Until Cancelled **Sun Valley, ID 83353**

**KEEP THIS CERTIFICATE IN YOUR VEHICLE AT ALL TIMES
AND MUST BE PRESENTED UPON DEMAND**

CLAIMS AGENT:
Idaho Counties Risk Management Program, Underwriters
P.O. Box 15249
Boise, Idaho 83715
Phone: (208) 336-3100 FAX: (208) 336-2100

**VEHICLE INSURANCE IDENTIFICATION CARD
STATE OF IDAHO**

Idaho Counties Risk Management Program, Underwriters
3100 Vista Avenue, Suite 300, P.O. Box 15249
Boise, Idaho 83715

This Certificate may be used in lieu of the original Contract of Liability Insurance to demonstrate the current existence of liability insurance while such contract is in effect.

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P.O. Box 15249
Boise, Idaho 83715
Phone: (208) 336-3100 FAX: (208)336-2100

LIABILITY QUESTIONS

ICMRP ID:	851	Total Salaries/Wages from W-3 (Line 5):	\$0.00
# of Full-Time Employees:	0	# of Part-Time Employees:	0
# of Employees allowed to Write Checks:	0	# of EMTS/Paramedics:	0
# of Full-Time Law Enforcement Officers:	0	# of Part-Time Law Enforcement Officers:	0
# of Detention Officers:	0	# of Jail Nurses:	0
# of Jail Beds:	0	Average Detention/Jail Population	0
Average Daily Attendance for Schools:	0	# of Full/Part Time Teachers	0
Water/Sewer/Wastewater Payroll:	\$0.00	Net Operating Budget	\$2,464,676.00
Do You Own or Operate an Airport or Airstrip?	No	Do You Conduct Weed Spraying Operations?	No

August 18, 2016

TO: Sun Valley Air Service Board

RE: Terrorism Coverage for Policy Year Effective October 1, 2016

Dear Valued ICRMP Member:

Following the events of September 11, 2001, the nation's largest insurers took their case to Congress concerning their ability to withstand the financial consequences of additional terrorist acts that might take place on American soil. As a consequence, Congress enacted the Terrorism Risk Insurance Act (TRIA) that is intended to protect insured property owners by assuring that their property insurers are not overwhelmed by terrorism-driven claims. Local government risk sharing pools generally were excluded from TRIA.

Because ICRMP is regulated under Idaho law as a reciprocal insurer, federal law requires ICRMP to offer complete terrorism property coverage to its Members. This offering, which is additional to the regular coverage provided by the ICRMP Program, would require payment of an additional Member contribution, based upon the value of the property assets to be covered. An explanation is provided on the accompanying offer sheet.

You should understand that your ICRMP Member agency is under no obligation to accept the terrorism coverage that we are required to offer. In fact, the ICRMP Board of Trustees has purchased excess insurance for Members of ICRMP (as a whole) in the amount of fifty million dollars (\$50,000,000) per year. The coverage provided for all Members is available to be shared among any Members affected by acts of terrorism during a policy year. The Board believes this is a more cost-effective way of addressing this potential exposure. It is included in your regular ICRMP coverage **at no additional cost to you.**

The decision regarding terrorism coverage belongs to your governing board. Please complete the offer sheet evidencing your agency's desire to procure additional terrorism coverage and pay an additional Member contribution, or to reject it and share in the coverage procured for all ICRMP Members. In order to comply with the law, we need your answer promptly. Thank you.

Sincerely,



Rick Ferguson
Executive Director

**NOTICE - OFFER OF TERRORISM COVERAGE
(Required by Federal law)**

NOTICE – DISCLOSURE OF ADDITIONAL PREMIUM

TO: ICRMP Member:

The Terrorism Risk Insurance Act, as extended on December 26, 2007 by the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA), is a U.S. Treasury Department program under which the federal government would share, with regulated insurance carriers, the risk of loss from terrorist attacks. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, certifies that an event meets the definition of a “certified act of terrorism”. Certified acts of terrorism can also include foreign or domestic acts of terrorism, but they still must be certified as such by the Federal officers listed above.

In accordance with the Terrorism Risk Insurance Act, as extended on December 26, 2007, we are required to offer you coverage of all of the property we insure that your agency owns against any “certified act of terrorism”. Your public agency must decide whether you desire the coverage (for an additional premium) or whether you choose to reject the offer of coverage and not pay the premium. The choice belongs to the governing board.

If you choose to accept this offer of terrorism coverage, your premium will include the additional premium for terrorism as stated in this disclosure. If you choose to reject this offer, you must do so by signing the enclosed statement and returning it to your agent, Betty Urbany at (208) 726-8866 or mail directly to ICRMP at P.O. Box 15249, Boise, Idaho, 83715.

If you reject coverage under the Act, the ICRMP policy provided to your public entity will provide an alternative form of coverage of terrorism-related insurance. Rather than cover the entire value of every item of property every public entity member of ICRMP might insure, the alternative form of coverage will provide a fixed amount of coverage (50 million dollars) for the entire membership of ICRMP during any single policy year. If terrorism-caused covered losses do not exceed 50 million dollars during any single policy year, such losses will be paid in full, subject to policy terms and conditions. If total terrorism-caused losses exceed 50 million dollars in the current policy year, such losses will be paid on a *pro-rata* basis among members suffering covered terrorism-caused losses, in proportion to their covered losses expressed as a percentage of all covered losses. Coverage under this alternative process shall not require certification by the Federal officials pursuant to TRIPRA.

Named Insured: Sun Valley Air Service Board

DISCLOSURE OF PREMIUM

If you accept this offer, the premium for terrorism coverage is estimated to be an additional amount of **\$5,000** over and above your proposed renewal Member contribution based on reported total insured values of **\$0**.

CONTINUED ON NEXT PAGE

IF YOU WISH TO REJECT COVERAGE UNDER THE TERRORISM RISK INSURANCE ACT, AS EXTENDED ON DECEMBER 26, 2007, THE NAMED INSURED MUST APPROVE AND SIGN THE FOLLOWING STATEMENTS:

TERRORISM RISK INSURANCE ACT REJECTION OF FULL COVERAGE

We, as a Member of ICRMP, acknowledge that we have been notified as required under the Terrorism Risk Insurance Act, as extended on December 26, 2007, that as respects to the above referenced policy of insurance policy referenced above:

1. We have been offered coverage for acts of terrorism as defined in the Act;
2. We have been advised that if we accept coverage for acts of terrorism as defined in the Act, the United States Government will participate in the payment of terrorism losses insured under the Act, subject to the provisions of the Act;
3. We have been told that if we reject coverage under the Act by signing this notice, to the extent allowed by law, we will have only our respective share of the alternative coverage for any act of terrorism under the policy issued by ICRMP.
4. We have been notified of the annual premium for coverage for acts of terrorism as defined in the Act.
5. We hereby **reject** coverage for acts of terrorism as defined in the Act and understand my policy will contain an exclusion for acts of terrorism as defined by TRIPRA, but will otherwise provide limited coverage concerning acts of terrorism as addressed by the ICRMP policy issued annually to Members.

Chief Executive/Administrative Officer

Date

Print name

Print

public office held

Sun Valley Air Service Board

Public Entity Name

RETURN THIS FORM TO YOUR AGENT OR ICRMP. A COPY OF THIS DOCUMENT IS AS BINDING AS THE ORIGINAL.

ATTENTION AGENT: THIS FORM MUST BE SIGNED PERSONALLY BY AN AUTHORIZED OFFICER OF THE INSURED AND RETURNED TO ICRMP.

SUN VALLEY AIR SERVICES BOARD

INVOICES TO BE PAID

Through September 16, 2016

Fly Sun Valley Alliance	May 2016 LOT Invoice	\$108,575.52
Fly Sun Valley Alliance	June 2016 LOT Invoice	177,019.50
Fly Sun Valley Alliance	July 2016 LOT Invoice	283,269.45
Sun Valley Marketing Alliance	May 2016 LOT Invoice	12,063.95
Sun Valley Marketing Alliance	June 2016 LOT Invoice	19,668.83
Sun Valley Marketing Alliance	July 2016 LOT Invoice	32,723.15
City of Ketchum	August 10, 2016 Invoice for Publication of Third Quarterly Report	88.70
ICRMP	October 1, 2016 – September 30, 2017 Invoice	1,144.00
TOTAL		\$634,553.10

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
5/31/2016	173

Bill To
Sun Valley Air Service Board Attn: Sandy C & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT - May 2016 LOT Revenue - July 2016 FSVA Services	108,575.52	108,575.52
		Total	\$108,575.52



TO: SUN VALLEY AIR SERVICE BOARD

SERVICES RENDERED – July 2016

AIR SERVICE

AIR SERVICE RETENTION, IMPROVEMENT, DEVELOPMENT

- Reviewed/monitored weekly booking reports for 2016 summer flights; analyzed impact of key schedule and cost changes, ROI, marketing, etc.
- Ongoing analysis of seat, enplanements, load factors by season by market; for SUN and competitive markets
- Continued strategic planning and analysis regarding future air service needs and opportunities for FY17 and beyond
- Continued discussions with airlines re potential FY17 service; future planning, etc.
- Finalized negotiations and announced new Alaska PDX service starting Dec 17, 2017.
- Finalized FY17 contract with Alaska Airlines for SEA, LAX, PDX, and winter schedule for United SFO & DEN flights.
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Meetings with bus company regarding diversion bussing program for FY17 winter.

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media postings; updated website as needed
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications.
- Created/executed ongoing local area marketing/ PR for air service (*print, digital, TV*)
 - *Announced new PDX service and winter FY17 flight schedule across all communication channels*
- Attended various community and stakeholder meetings to continue information outreach efforts.
- Provided information regarding air service to inquiries from local and other travelers.

RESEARCH/OTHER

- Continued implementation of summer 2016 Air Passenger Survey at SUN. Collected 600 surveys YTD.
- Continued work on compiling/tracking relevant news and comparative data and information of air service

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
6/30/2016	174

Bill To
Sun Valley Air Service Board Attn: Sandy C & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT - June 2016 LOT Revenue - August 2016 FSVA Services	177,019.50	177,019.50
		Total	\$177,019.50



TO: SUN VALLEY AIR SERVICE BOARD

SERVICES RENDERED – August 2016

AIR SERVICE

AIR SERVICE RETENTION, IMPROVEMENT, DEVELOPMENT

- Reviewed/monitored weekly booking reports for 2016 summer flights; analyzed impact of key schedule and cost changes, ROI, marketing, etc.
- Ongoing analysis of seat, enplanements, load factors by season by market; for SUN and competitive markets
- Continued strategic planning and analysis regarding future air service needs and opportunities for FY17 and beyond
- Continued discussions with airlines re potential FY17 summer service; future planning, etc.
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Communications with bus company regarding diversion bussing program for FY17 winter.

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media postings; updated website as needed
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications.
- Created/executed ongoing local area marketing/ PR for air service (*print, digital, TV*)
- Attended various community and stakeholder meetings to continue information outreach efforts.
- Provided information regarding air service to inquiries from local and other travelers.

RESEARCH/OTHER

- Continued implementation of summer 2016 Air Passenger Survey at SUN. Collected 845 surveys YTD.
- Continued work on compiling/tracking relevant news and comparative data and information of air service

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
7/31/2016	175

Bill To
Sun Valley Air Service Board Attn: Sandy C & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT - July 2016 LOT Revenue - Sept 2016 FSVA Services	283,269.45	283,269.45
		Total	\$283,269.45



TO: SUN VALLEY AIR SERVICE BOARD
SERVICES RENDERED – September 2016

AIR SERVICE

AIR SERVICE RETENTION, IMPROVEMENT, DEVELOPMENT

- Reviewed/monitored weekly booking reports for 2016 summer flights; analyzed impact of key schedule and cost changes, ROI, marketing, etc. United SFO & DEN flights end Sept 18; Alaska SEA & LAX flights run into Oct.
- Ongoing analysis of seat, enplanements, load factors by season by market; for SUN and competitive markets
- Continued strategic planning and analysis regarding future air service needs and opportunities for FY17 and beyond
- Continued discussions with airlines re potential FY17 summer service; future planning, etc.
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Finalized contract with bus company for enhanced diversion bussing program for FY17 winter.

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media postings; updated website as needed
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications.
- Created/executed ongoing local area marketing/ PR for air service (*print, digital, TV*)
- Attended various community and stakeholder meetings to continue information outreach efforts.
- Provided information regarding air service to inquiries from local and other travelers.

RESEARCH/OTHER

- Continued implementation of summer 2016 Air Passenger Survey at SUN. Will continue through mid-Oct.
- Continued work on compiling/tracking relevant news and comparative data and information of air service

Sun Valley Marketing Alliance, Inc.

Visit Sun Valley
 P.O. Box 4934
 Ketchum, ID 83340



Invoice

Date	Invoice #
9/15/2016	649

Bill To
Air Service Board PO Box 3801 Ketchum, ID 83340

P.O. No.	Terms

Quantity	Description	Rate	Amount
	Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing- May 2016	12,063.95	12,063.95
	Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing- June 2016	19,668.83	19,668.83
	Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing- July 2016	32,723.15	32,723.15

Thank you for your participation and support of Visit Sun Valley!	Total	\$64,455.93
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Phone #
208-726-3423



Detail for Invoices submitted to Air Service Board September 2016

- Launched new landing page for winter 16/17 (www.visitsunvalley.com/winter)
- Finalized winter 16/17 media plan
- Released initial phases of winter campaign in air service markets
- Continuing winter SEO tweaks

Upcoming

- Summer campaign development
- Collecting summer campaign collateral
- Creating summer media plan
- On-going creation and submission of winter 16/17 ads





CITY OF KETCHUM

P.O. Box 2315
 Ketchum ID 83340
 Phone: (208) 726-7801
 Fax: (208) 726-7812

INVOICE

Date	Number	Page
08/10/2016	792	1

Bill To: Sun Valley Air Service Board
 Box 3801
 Ketchum ID 83340

Customer No. 438

Contact:

Terms: Due Upon Receipt

Invoice Due Date: 08/20/2016

Quantity	Description	Unit Price	Net Amount
1	SVASB LEGALS 06-30-2016	88.70	88.70

Notes:

Amount 88.70

Balance Due 88.70

Please remit payment to:
 City of Ketchum
 Post Office Box 2315
 Ketchum, Idaho 83340

AFFIDAVIT of PUBLICATION

State of Idaho
County of Blaine

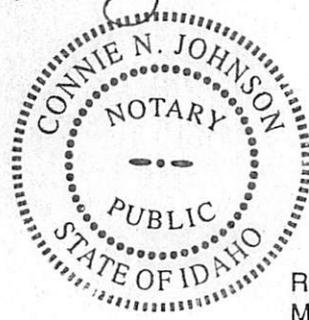
Pam Morris, being the first duly sworn, deposes and says that she is the printer (publisher) of the Idaho Mountain Express, a newspaper published every week in Ketchum, County of Blaine, State of Idaho; that said newspaper has been continuously and uninterruptedly published for a period of seventy-eight consecutive weeks prior the first publication of the annexed notice, and is a newspaper qualified to publish legal notices as provided by act of the 1919 session of the legislature of the State of Idaho, known as House Bill 145; that the annexed advertisement was published once

each week for 1 consecutive issues in said newspaper proper and not in a supplement; that the date of the first publication of said advertisement was on the 27 day of

July, 20 16, and the date of the last publication was on the 27 day of July, 20 16

Subscribed and sworn to before me this 27 day of July, 20 16.

Connie N. Johnson
NOTARY PUBLIC



RESIDING AT HAILEY, IDAHO
MY COMMISSION EXPIRES ON 7/10/2018

IDAHO MOUNTAIN EXPRESS
P.O. Box 1013
Ketchum, Idaho 83340
COST OF PUBLICATION

Number of Picas per Line 36.5
Number of Lines in Notice 27
Number of Insertions 1

27 Lines tabular at 88.70 9.0 cents/pica
Lines straight at _____ 8.0 cents/pica
Subsequent lines at _____ 7.0 cents/pica
TOTAL COST \$88.70

COPY OF NOTICE

Legal Notice
TITLE OF NOTICE

PLAINTIFF ATTORNEY

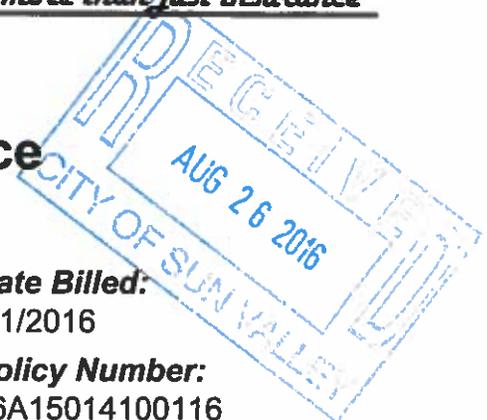
DEFENDANT

PLAINTIFF

City of Ketchum
BILL TO

SUN VALLEY AIR SERVICE BOARD QUARTERLY FINANCIAL REPORT 3RD QUARTER JUNE 30, 2016		OPERATING & ADM EXPENSES	CAPITAL OUTLAY	% EXP.	RECEIPTS
ADOPTED BUDGET	2,464,676	1,714,229		69.6%	1,771,410
FUND	SV AIR SERVICE BOARD				

CITIZENS ARE INVITED TO INSPECT THE DETAILED SUPPORTING RECORDS OF THE ABOVE FINANCIAL STATEMENTS.

Insurance Billing Invoice

Susan Roberts
 Sun Valley Air Service Board
 PO Box 416
 Sun Valley, ID 83353

Date Billed:
 9/1/2016
Policy Number:
 36A15014100116

DESCRIPTION	AMOUNT
Total Annual Member Contribution for Policy Period 10-1-16 to 9-30-17	\$1,144.00
If you have already paid all or the minimum due, please disregard this notice.	
Minimum 50% due on October 1, 2016	
Balance due on April 1, 2017	

----- **Return this portion with your payment** -----

Member:

Sun Valley Air Service Board
 PO Box 416
 Sun Valley, ID 83353

Address corrections?

Please check this box and make changes on the back of this form and enclose with your payment.

Make Checks Payable to:

ICRMP
 PO Box 15116
 Boise, ID 83715

Policy Number:	Due Date:
36A15014100116	10/1/2016

Minimum Due:
\$572.00