

**MISSOURI UNITED  
SCHOOL INSURANCE COUNCIL**

**2020 PLAN DOCUMENT**

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## **PREFACE**

### **WHAT IS THE MISSOURI UNITED SCHOOL INSURANCE COUNCIL (MUSIC)?**

MUSIC is a non-profit, Protected Self-Insurance Pooling Program formed under §537.620 of the Revised Statutes of Missouri which is designed to provide broad property and casualty coverages under one comprehensive plan for all participating Members. As it exists solely for the benefit of its participating Members (public school districts, community colleges, and related organizations), coverage is tailored to the needs of those entities, and comprehensive risk management services are added to further reduce risk and cost.

Members pay an annual assessment to MUSIC which is retained to pay losses, to fund a modest administrative budget, to purchase risk management services, and to purchase comprehensive excess insurance and reinsurance. It is this excess insurance and reinsurance that allows the MUSIC program to cap large losses at an affordable level, but allows MUSIC, through its claim administrators, to manage and control all losses within the MUSIC program's self-insured retention, thereby eliminating the need for a profit-driven insurance company to be involved at that level. This concept already has revolutionized the way public entities buy coverage, with more than 450 similar pooling arrangements in the country and with approximately 90 percent of Missouri school districts and eight community colleges participating in the MUSIC program.

Because MUSIC is a pooling arrangement made up of its Members, the loss fund belongs to you. This makes loss prevention and claims management important factors in the effective management and control of your loss fund. Monies saved result in maintaining low assessment rates and/or increasing coverage. Member cooperation and communication with MUSIC and its claim administrators is essential to the success of the program. Assistance will be given to you in developing programs and policies that will help reduce your losses. The benefit will be the continued well-being and safety of all Members' students and employees.

## FOREWORD

This Plan Document has been prepared so that you will have both a quick summary reference regarding the major components of coverage and a detailed explanation using the specific wording of the coverage being provided.

This Plan Document should not necessarily, however, be construed as the only reference regarding the coverage available to Members of MUSIC. For all coverages except auto liability, general liability, and school board legal liability, an excess insurance and/or reinsurance contract provides coverage to Members of MUSIC once the loss exceeds a certain dollar amount. Thus, any loss is subject to the terms, language, and conditions of the relevant excess insurance or reinsurance contract, if applicable. While we have tried very hard to present the coverages contained within those contracts as accurately as possible, any covered loss will be adjusted according to the wording of those contracts and not any description contained in this Plan Document. The excess insurance and reinsurance contracts are written in the name of MUSIC and are on file in the MUSIC office. Review of those contracts is open to any MUSIC Member at any time during normal business hours. With regard to auto liability, general liability, and school board legal liability coverages, MUSIC has purchased reinsurance, and Members should look solely to this Plan Document for coverage terms.

**The Program Coverage Summary on pages 7 and 8 is intended to be an overview of the coverages provided by this Plan Document. However, the specific provisions, stipulations, limitations, exclusions, and conditions in each coverage agreement within the Plan Document shall govern the scope of the coverage provided.**

We have taken great care to put together a program that meets the needs of Missouri public school districts, community colleges, and related organizations. We feel that your commitment to MUSIC and to this concept is the key to our collective success. Please always remember that this is your program and is here only to serve you, so if you have any questions at all, please do not hesitate to contact me. Specific coverage questions, however, are better directed to Anita Kiehne, Scott Wightman, or Peggy Wilson at Arthur J. Gallagher Risk Management Services, Inc. - St. Louis.

Sincerely,

Mr. Mark Stockwell  
Executive Director

**MISSOURI UNITED SCHOOL INSURANCE COUNCIL**

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**PROGRAM ADMINISTRATOR**

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**CLAIMS**

GALLAGHER BASSETT - ST. LOUIS

314-965-7810 OR 1-800-333-6137

FAX 1-866-947-2227

**MISSOURI UNITED SCHOOL INSURANCE COUNCIL**  
**PROPERTY/CASUALTY COVERAGE PROGRAM**  
**PROGRAM COVERAGE SUMMARY INTRODUCTION**

The purpose of the Program Coverage Summary on pages 7 and 8 is to give a brief listing of some of the coverages provided to each Member, which are expanded upon in greater detail later in the Plan Document. Please refer to the specific coverage part within the Plan Document for a more detailed summary of a specific coverage and the coverage wording itself.

We also want to remind each Member of the following:

1. The individual school district, community college, or related organization is the Member of MUSIC.
2. MUSIC is the named insured under the excess insurance and/or reinsurance contracts. Members' interests are protected by having MUSIC named as the insured in those excess insurance and/or reinsurance contracts.
3. Each Member should review the MUSIC By-Laws and Articles of Association for its obligations and duties. The By-Laws and Articles of Association are available for review at the MUSIC office at any time during normal business hours.
4. The Plan Document, including the Program Coverage Summary, does not change or alter MUSIC's By-Laws or Articles of Association, or any excess insurance or reinsurance contracts on which MUSIC is the named insured.
5. Terms defined within the Plan Document are bolded and capitalized. You should note that the same term may have a different meaning when used in different coverage parts. Refer to the definitions section of a given coverage part for the relevant definition for that coverage part.

## **PROGRAM COVERAGE SUMMARY**

### **PROPERTY COVERAGES**

**Blanket Replacement Cost per Member's Statement of Values**  
**\$1,000,000,000 per Occurrence limit (refer to "Basic Property Coverages" in the Coverage**  
**Summary for any applicable sublimits)**

**MUSIC's Self-Insured Retention (SIR): \$1,000,000 per Occurrence**  
**Member Property Deductible \$1,000 per Occurrence**

Real and Personal Property  
Property of Others, Newly Acquired Property  
Earthquake Coverage - \$500,000,000 limit  
Flood Coverage - \$500,000,000 limit - \$25,000,000 limit for Flood Zone A  
Terrorism Coverage - \$50,000,000 limit  
Inland Marine Coverage  
Automatic Builder's Risk  
Business Interruption  
Automobile Physical Damage  
Garagekeepers Legal Liability  
Rental Reimbursement Coverage

### **CRIME COVERAGES**

**MUSIC's SIR: \$150,000 per Occurrence, except \$10,000 per Occurrence for Premises, In**  
**Transit, and Money Orders Coverages**

\$2,000,000 limit for each of the Crime Coverages listed below:  
Blanket Employee Dishonesty Bond, Depositor's Forgery Coverage,  
Computer Theft and Funds Transfer Fraud Coverage  
\$250,000 per Occurrence limit for each of the Crime Coverages listed below:  
Money Orders and Counterfeit Money Coverage, Premises Coverage,  
Transit Coverage  
\$1,000 Deductible

### **TREASURER'S BOND**

**\$50,000 limit\***

Including Faithful Performance

**\*Note: The stated limit does not apply if coverage is otherwise available under Crime Coverages.**

### **EQUIPMENT BREAKDOWN COVERAGE**

**\$100,000,000 per Occurrence limit**

**\$1,000 Deductible per Occurrence**

### **GENERAL LIABILITY/AUTOMOBILE LIABILITY COVERAGES**

**\$3,000,000 per Occurrence limit\***

**MUSIC's SIR: \$1,000,000 per Occurrence**

Bodily Injury, Property Damage, Personal Injury,  
Products and Completed Operations, Teachers Liability,  
Corporal Punishment, and other Special Coverages such as AIDS Discrimination  
Miscellaneous Medical Malpractice  
Nurses, Student Nurses, and Allied Health Practitioners

Abuse or Molestation Coverage - \$100,000 Deductible if Designated and MUSIC Approved Training not  
conducted annually

Non-Pecuniary Damages Defense Costs - \$1,000 Deductible - \$30,000 per Occurrence limit subject to  
\$60,000 Combined Annual Aggregate with School Board Liability Coverage  
Limited Punitive Damages Coverage - \$200,000 per Occurrence or Wrongful Act limit, and in the Annual  
Aggregate per Member\*\*  
Garage Liability

**UNINSURED MOTORIST/UNDERINSURED MOTORIST COVERAGES**

Uninsured Motorist Coverage - \$50,000 per person, \$100,000 per Occurrence  
Underinsured Motorist Coverage - \$50,000 per person, \$100,000 per Occurrence

**SCHOOL BOARD LEGAL LIABILITY**

\$3,000,000 per Occurrence\* \$6,000,000 Annual Aggregate per Member

**MUSIC's SIR: \$1,000,000 per Occurrence or Wrongful Act**

Errors and Omissions Coverage  
Employment Practices Liability  
IEP Due Process - \$1,000 Deductible - \$30,000 limit  
Non-Pecuniary Damages (see General Liability Coverage Summary above)  
Limited Punitive Damages Coverage - \$200,000 per Occurrence or Wrongful Act, and in the Annual  
Aggregate per Member\*\*

**\*Note: The stated per Occurrence limits apply per Combined Liability Coverage Agreement part,  
but \$3,000,000 is the most we will pay regardless of how many coverage parts are involved.**

**\*\*Note: The stated per Occurrence or Wrongful Act limit for Limited Punitive Damages Coverage is  
subject to and not in addition to the \$3,000,000 per Occurrence limit and is included within that  
limit.**

**WORKERS' COMPENSATION COVERAGES**

**Statutory limit**

**MUSIC's SIR: \$\$1,000,000 per Occurrence**

Employer's Liability - \$1,000,000

**CATASTROPHIC VIOLENT ACTS COVERAGE**

**Limit - \$250,000**

Grief Counselors - \$25,000  
Media/Public Relations - \$25,000  
Extra Costs/Expenses - \$200,000

**SPECIAL EVENTS LIABILITY**

**\$1,000,000 limit**

**\$0 Deductible per claimant**

Note: This coverage is optional, is on an "as needed" basis,  
and is not shown in this Coverage Summary.

**POLLUTION COVERAGE AND CYBER COVERAGE**

Pollution coverage is now provided through Ironshore Specialty Insurance Company via a separate policy  
See Attachment 1 for the terms and conditions of coverage.

Cyber coverage is now provided by XL-Catlin Insurance Company via a separate policy.  
See Attachment 2 for the terms and conditions of coverage.

**MUSIC**  
**COVERAGE SUMMARY**

**Commercial Property Coverage**

NAMED INSURED:	Missouri United School Insurance Council	
DOCUMENT PERIOD:	12/31/19-20, 12:01 am	
LOCATIONS COVERED:	Schedule Submitted by MUSIC Member	
TERRITORY:	Worldwide	
LIMITS AND SUBJECTS OF COVERAGE:	\$1,000,000,000	Property Damage, per Occurrence
	\$2,000,000	EDP, including Extra Expense
	\$10,000,000	Time Element which includes Rental Income, Business Income, Tuition and Fees, and Extra Expense
	\$5,000,000	Fine Arts and Valuable Papers and Records
	\$500,000,000	Earth Movement- per Occurrence and Aggregate for the Program
	\$500,000,000	Flood- per Occurrence and Aggregate for the Program
	\$25,000,000	Flood Zone A per Occurrence and Aggregate for the Program
	\$500,000	Property in Transit per Occurrence
	\$5,000,000	Demolition and Increased Cost of Construction, combined
	\$15,000,000	Newly Acquired Property (90 Days)
	\$50,000,000	Automatic Builder's Risk
	\$500,000	Athletic Fields and Tracks
	\$100,000	Real and Personal Property at Unnamed Locations
	\$50,000,000	Terrorism- subject to separate coverage wording
	\$10,000	Claim Data Expense
	\$25,000	Limited Environmental Expense (This is in addition to the First Party Remediation Expense and Disinfection Event Expense coverage provided by the Ironshore pollution policy procured by MUSIC and may be used to meet in part the \$50,000 deductible in said policy.)
	\$100,000	Fiber Optic Lines
	\$1,000,000	Foundation Damage from Covered Peril
	\$100,000	Paved Surfaces Adjoining a Scheduled Building
SPECIAL COVERAGES:	Automobile Physical Damage & Garagekeepers Legal Liability	
DEDUCTIBLES:	\$1,000	Combined Property Damage and Time Element - Buildings
(only one deductible applies per loss)	\$1,000	Contents

\$1,000	Earth Movement - Combined Property Damage and Time Element
\$1,000	Flood - Combined Property Damage and Time Element
\$1,000	Automobile Physical Damage, per Occurrence

CANCELLATION, NON-RENEWAL OR MATERIAL MODIFICATION:

90 Days Written Notice  
10 Days for Non-Payment of Premium

COVERED CAUSES OF LOSS:

All risks of direct physical damage to the property covered, except as excluded

COVERAGE INCLUDES:

1. Blanket Real and Personal Property
2. Time Element, Including Business Income Ordinary Payroll, Tuition and Fees, Extra Expense, and Rental Value, Limit
3. EDP Media & Equipment, including Extra Expense - Applies
4. Fine Arts
5. Leasehold Interests
6. Valuable Papers and Records
7. Lender's Loss Payable Endorsement
8. Property in Care. Custody & Control of the Member
9. Automobile Physical Damage
10. Service Interruption - Property Damage and Time Element
11. Accounts Receivable
12. Earth Movement
13. Flood
14. Transportation, excluding Backhaul
15. Expediting Expense
16. Protection and Preservation of Property
17. Debris Removal (\$2,000,000 or 25% of Direct Physical Loss, whichever is less)
18. Property Removed from Described Premises
19. Joint Loss Agreement
20. Glass Coverage
21. Athletic Fields and Tracks
22. Outdoor Property
23. Builder's Risk

PROPERTY COVERED:

1. Real Property in which the Member has an insurable interest
2. Personal Property owned by the Member
3. Personal Property, other than motor vehicles, of officers and employees of the Member
4. Personal Property of others in the custody of the Member which the Member is under obligation to keep covered for physical damage of the type covered against under this Document
5. Personal Property of others in the custody of the Member to the extent of the Member's legal liability for physical loss or damage of the type covered against under this Document
6. School buses and other Member-owned or leased motor vehicles
7. Vehicles rented by the Member

VALUATION:

1. Blanket Limits
2. Real and Personal Property - Replacement Cost
3. Valuable Papers and Records - Repair or Restore to pre-loss condition
4. Business Interruption - Actual loss sustained
5. Film and Records - Value plus cost of copying from backup
6. Data - Cost of transferring from backup
7. Agreed Value
8. Automobile Physical Damage - Actual Cash Value

## **BASIC PROPERTY COVERAGES**

### **1. LIMITS OF LIABILITY:**

MUSIC agrees, subject to the limitations, terms, exclusions and conditions of the coverage part of the Plan Document, to indemnify the **Member**, for all risks of direct physical loss or damage to all real property or personal property of the **Member**, of every kind and description occurring during the period of this Plan Document specifically per the schedule and deductible agreed to by the **Member** and MUSIC. The following per **Occurrence** sublimits apply to the entire Missouri United School Insurance Council program and should not be construed as sublimits for each individual **Member**, except as set out in Section 2 below.

Real and Personal Property, Builder's Risk, **Extra Expense**, Business Interruption, **Loss of Rents**, Architect Fees, Data Processing Equipment, Data Processing Media, Athletic Equipment, Audio-Visual Equipment, Laboratory Equipment, Maintenance Equipment, **Automobiles**, **Valuable Papers and Records**, **Accounts Receivable**, **Fine Arts**, Lights, Transit coverage.

- a. \$1,000,000,000 property damage per **Occurrence** for loss or damage to property covered hereunder arising from any one loss or disaster, for all coverages and locations combined nor for more than the following sublimits:
- b. \$500,000,000 per **Occurrence** and annual aggregate as respects the peril of **Earthquake**.
- c. \$500,000,000 per **Occurrence** and annual aggregate as respects the peril of **Flood except Flood In Flood Zone A, which is limited to \$25,000,000 per Occurrence** and annual aggregate.

### **2. SUBLIMITS FOR PROPERTY COVERAGES PER OCCURRENCE, PER MEMBER EXCEPT AS OTHERWISE NOTED:**

- a. \$50,000,000 per **Occurrence** per **Member** as respects Builder's Risk.
- b. \$15,000,000 per **Occurrence** per **Member** as respects Newly Acquired Property. **The Member shall report Newly Acquired Property within 90 days.**
- c. \$10,000,000 **Business Income/Extra Expense/Loss of Rents**, per **Occurrence**, per **Member**.
- d. \$2,000,000 **EDP**, including **Extra Expense**, per **Occurrence**, per **Member**.
- e. \$100,000 as respects Real and Personal Property at Unnamed Locations, per **Occurrence**, per **Member**.
- f. \$5,000,000 per **Occurrence** per **Member** as respects **Demolition and Increased Cost of Construction**, combined
- g. \$2,000,000 per **Occurrence** per **Member** for **Debris Removal** Expense or 25% of the amount of direct physical loss or damage, whichever is less.
- h. \$1,000 per Board Member and/or employee, not to exceed \$25,000 per **Occurrence**, per **Member**. This applies to personal property used within the scope of respective duties.
- i. \$500 per tree, shrub and plant, not to exceed \$25,000 per **Occurrence**, per **Member**.
- j. \$500,000 per **Occurrence**, per **Member** for Property in Transit.
- k. \$5,000,000 per **Occurrence**, per **Member** for **Fine Arts** and **Valuable Papers and Records**.
- l. \$500,000 per **Occurrence**, per **Member** for Athletic Fields or Tracks, or the scheduled value whichever is greater.
- m. \$100,000 per **Member**, per **Occurrence** for fiber optic cable.

- n. \$10,000 per **Member**, per **Occurrence** for reasonable expenses incurred by the **Member** in preparing Claim Data required by MUSIC and with MUSIC's pre-approval, in the event of a covered loss, to include the cost of taking inventories, making appraisals and preparing other documentation in order to show the extent of the loss, but not to include payments to insurance adjusters, their associates, or subsidiaries.
- o. \$25,000 in total annually per **Member** for limited environmental expense regardless of the number of buildings, claims or **Occurrences**, and subject to MUSIC's pre-approval, for the engagement of services of a qualified environmental company to perform air quality or similar building analysis, testing and sampling in the event of a claim or complaint and, if indicated by the analysis, the remediation of mold or similar environmentally hazardous substances by a qualified and certified remediation specialist based on the protocol established in the environmental report.
- p. \$1,000,000 per **Occurrence**, per **Member** for damage to building foundations in scheduled buildings caused by a covered peril.
- q. \$100,000 per **Occurrence**, per **Member** for damage to paved surfaces adjoining a scheduled building when the damage is caused by a covered peril.

#### POLLUTION POLICY

A pollution policy has been procured by MUSIC as a part of your benefits as a **Member**; however, the pollution policy (Attachment 1) is coverage distinct from the coverage provided by MUSIC under this Plan Document. The pollution policy is administered by the insurer and the benefits thereunder are determined and paid by the insurer. **Members** are urged to carefully review the terms of the pollution policy and comply with its terms, including Section V.B.-THE INSURED'S DUTIES. Notice to MUSIC is not notice to the insurer. MUSIC cannot waive or alter any of the terms of the pollution policy. MUSIC's approval of services under the limited environmental expense provision has no bearing on the insurer's coverage determination under the policy or its approval of the services. If the **Member** believes it may have a Pollution Incident within the meaning of the pollution policy, the **Member** should notify the insurer as soon as practicable and seek the insurer's approval of bids and contracts. The cost of such services approved by MUSIC may or may not apply to the **Member's** deductible under the policy. At the **Member's** request, MUSIC will apply any unused portion of the \$25,000 limited environmental benefit towards the **Member's** deductible under the pollution policy; however, under no circumstance shall MUSIC pay for more than the \$25,000 per annum limit.

### 3. DEDUCTIBLES:

For every **Occurrence** that gives rise to a claim for loss or damage, a deductible as specified by line of coverage will be withheld. This deductible applies only once per **Occurrence** regardless of the number of locations involved or types of property or loss involved. **Deductible is \$1,000 for Buildings and \$1,000 for Contents and Equipment, except where otherwise specified. The deductible for Automobile Physical Damage is \$1,000 and it applies per Occurrence, not per vehicle.**

### 4. INTEREST AND PROPERTY COVERED:

- a. Real property, including machinery, used for the service of and permanent fittings attached to the buildings;
- b. Improvements and betterments to a building, being fixtures, alterations, installations or additions comprising part of a building leased, rented or occupied by, but not owned by the **Member** and made or acquired at the expense of the **Member**, which the **Member** cannot legally remove;
- c. The interest of the **Member** in all personal property owned by the **Member**;
- d. Personal property, other than **Automobiles**, of the **Member's** Board Members, and employees thereof, while such personal property is on the described premises and used within the course and scope of their duties as described;
- e. The interest of the **Member** in, and legal liability for, personal property of others in the actual or constructive custody of the **Member**;

- f. **Any additional real or personal property values that are anticipated for use during the school period must be reflected on the property schedule of the renewal application. Any real property purchased or acquired after completion of the current Plan Document year's renewal application must be reported within 90 days of purchase. This applies to any other additional real or personal property that is a planned purchase for the school year.**
- g. Additions, renovations or new buildings in the course of construction are covered for the interests of the **Member** and, where required by contract, the interests of the Contractor, Subcontractors and Sub-subcontractors.

#### 5. **INTEREST AND PROPERTY EXCLUDED:**

- a. Accounts, bills, currency, deeds, evidence of debt or title, money, notes, securities, jewelry, furs or articles trimmed with fur, precious metals or precious stones, bullion, letters of credit or ticket: (See **Crime Coverages** - Page 39)
- b. Property sold by the **Member** under conditional sale, trust agreement, installment payments or other deferred payment plan, after delivery to customers;
- c. Land (not including athletic tracks and fields), land value, growing crops, standing timber, animals;
- d. Aircraft, watercraft over twenty-five feet, spacecraft, satellites;
- e. Dams, dikes, levees, piers, docks, wharves, pilings, watershafts, power tunnels, gates or flumes;
- f. Bridges, tunnels, foundations, walks, roadways, patios and other paved surfaces, except a foundation in a scheduled building damaged by a covered peril and paved surfaces adjoining a scheduled building where the damage to the paved surface is caused by a covered peril;
- g. Overhead transmission lines and distribution lines outside of the **Member's** premises, however this exclusion does not apply to fiber optic lines as indicated. (See Page 9).

#### 6. **PERILS EXCLUDED:**

MUSIC does not cover loss due to:

- 1. a. hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack.
  - (1) by any government or sovereign power, or by any authority maintaining or using military, naval or air forces; or
  - (2) by military, naval or air forces; or
  - (3) by an agent of any such government, power, authority or forces;

it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces;
- b. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations; confiscation by or destruction by order of any government or public authority.
- 2. Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any accident or condition incident to any of the foregoing, is not covered by this Plan Document, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any physical damage covered by the provisions of this Plan Document. However, subject to the foregoing and all provisions of this

Plan Document, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered by this Plan Document.

3. Infidelity or dishonesty of the **Member**, its employees, volunteers or others to whom property may be entrusted. (See **Crime Coverages** - Page 39)
4. Any shortage of property discovered upon the taking of inventory or any unexplained disappearance of property (except property in the custody of carriers for hire).
5. Pollution and Contamination Exclusion

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

Nevertheless, if fire arises directly or indirectly from seepage or contamination or pollution, any loss or damage covered under this Plan Document arising directly from that fire is covered, subject to the provisions of this Plan Document.

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

This exclusion shall not apply when loss or damage is directly caused by any peril not otherwise excluded under this Plan Document. This exclusion shall also not apply when loss or damage is directly caused by leakage or accidental discharge from automatic fire protection systems.

6. Asbestos, Dioxin and Polychlorinated Biphenols Exclusion

This Plan Document does not cover:

- a. Asbestos, dioxin or polychlorinated biphenols (hereinafter referred to individually and/or collectively as "Material") removal from any goods, products or structures unless the Material is itself damaged by any peril not otherwise excluded under the Plan Document.
  - b. Demolition or increased costs of reconstruction, repair, **Debris Removal** or loss of use necessitated by the enforcement of any law or ordinance regulating such Material.
  - c. Any governmental direction or request declaring that such Material presents in or part of or utilized on any undamaged portion of the **Member's** property can no longer be used for the purpose for which it is intended or installed and must be removed or modified.
  - d. Removal or transportation of property or debris to a site for storage or decontamination required because pollutants or contaminants affect the property or debris, whether or not law or regulation requires such removal, transport or decontamination.
7. Mechanical breakdown, structural failure, latent defect, faulty workmanship or materials, unless loss by a peril not otherwise excluded in this Plan Document ensues and then MUSIC shall be liable only for such ensuing loss. (For Mechanical Breakdown only • see Equipment Breakdown Coverage - Page 45)

8. Explosion, rupture, or bursting of any steam boiler, steam piping, steam turbine, steam engines, gas turbines, flywheels or machines that are owned by, leased by or operated under the control of the **Member**. (See Equipment Breakdown Coverage - Page 45)
9. Loss of use, wear and tear, inherent vice, deterioration, erosion, insect, vermin, or other animals, unless loss by a peril otherwise covered hereunder ensues and then MUSIC shall be liable only for such ensuing loss.
10. Dampness or dryness of atmosphere, extremes or changes of temperature, rust, corrosion, change in flavor, color, texture, or finish, shrinkage, evaporation, loss of weight, or loss of contents of containers by leakage, unless such damage results directly from other physical damage covered by this Plan Document.
11. Processing or work upon the property unless fire or explosion ensue and then only for direct loss caused by such ensuing fire or explosion.
12. Short circuit, blow out or other electrical disturbance within any property covered hereunder, unless fire or explosion ensues, and then only for direct loss caused by such ensuing fire or explosion. (See Equipment Breakdown Coverage - Page 45)
13. Wet or dry rot, smog, smoke, or vapors or gas from agricultural or industrial operations; settling, cracking, bulging, shrinking, heaving or expansion of pavements, foundations, walls, floors, patios, sidewalks, roofs or ceilings.
14. Freezing of pipes while the building is **Vacant and Unoccupied** unless the **Member** shall have exercised due diligence with respect to maintaining heat or draining pipes and shutting off water supply.
15. Loss of market, delay, any **Business Income** or **Extra Expense** loss caused by a strike of any contractors, subcontractors or suppliers at a construction site owned by a **Member**.
16. The following exclusions apply to **Automobile** Physical Damage:
  - a. Wear and tear, freezing, mechanical or electrical breakdown unless caused by a covered loss.
  - b. Blowouts, punctures or other road damage to tires unless caused by a covered loss.
  - c. Loss to tape decks or other sound reproducing equipment not permanently installed in a covered **Automobile** and any tapes, compact discs or other devices designed for use with sound reproducing equipment.
  - d. Loss to any sound receiving equipment designed for use as a citizen's band radio, two-way radio, telephone, scanner or radar detector, including its antennas and other accessories, unless the equipment is permanently installed.
  - e. Theft of the occupant's personal articles, except in the event of a covered loss.
17. Terrorism - Any other provision of this Plan Document notwithstanding, this coverage does not cover loss, damage, injury or expense, cost or legal obligation directly or indirectly resulting from or arising out of or in any way related to:
  - a. "Terrorism"; or
  - b. Any actions taken by or on behalf of any government or any branch or division thereof (including, without limitation, the uniformed armed forces, militia, police, state security, and anti-terrorism agencies) in responding to, combating, defending or retaliating against any act or acts of "Terrorism".

This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in sequence to the loss, injury, damage, expense, cost or legal obligation. (See Terrorism Coverage - Page 21)

Terrorism means the use or threatened use of any violence or force (including acts of sabotage) by any person or persons for religious, political or financial ends, whether or not such person or persons are acting in concert with or on behalf of any organization or government (de facto or de jure). Terrorism includes, but is not limited to, any use or threatened use of violence, force or physical harm by any means that frightens, intimidates or instills fear in the public at large or any member of the public.

18. **Electronic Data-** This Plan Document does not insure against loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of:

a. **Electronic Data** by any cause whatsoever (including but not limited to computer virus: and/or

b. **Electronic Media** caused by or resulting from the loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of **Electronic Data**.

regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of **Electronic Data** or **Electronic Media**. This exclusion does not apply to loss or damage resulting from the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft or vehicles, riot and civil commotion, willful or malicious physical loss or damage by a means other than computer virus, leakage from fire extinguishing equipment, sinkhole collapse, falling objects, weight of snow, ice or sleet, water damage, building glass breakage, sonic boom, **Flood**, and **Earthquake**.

**SPECIAL PROPERTY COVERAGES****1. AUTOMATIC BUILDER'S RISK:**

- a. **PROPERTY COVERED:** MUSIC covers all materials, equipment and fixtures installed or to be installed, temporary structures that are used in connection with construction, and supplies or materials on site, in transit or in storage to be used in the construction or installation at a **Member's** building project, as defined by the contract documents. Where expressly required by the contract documents, this coverage shall include the interests of the **Member**, the Contractor, all Subcontractors and Sub-subcontractors in the project, as defined by the contract document. **This Document, however, does NOT cover any equipment, tools or machinery owned, leased, borrowed or rented by any contractor, subcontractor or any of its employees.** The terms as used and referred to in this subparagraph are defined as those terms are defined in AIA Documents A201-2017, General Conditions of the Contract for Construction.
- b. **LIMIT OF LIABILITY:** The most MUSIC will pay for any one loss at any one location is \$50,000,000.
- c. **LIMITS OF COVERAGE, per location, per member.**
- \$5,000,000 Delay in Completion
    - Loss of Rents, Loss of Use
    - Loss of Earnings
    - Ordinance or Law
    - Debris Removal – 25% of Property Damage or maximum of \$5,000,000, whichever is less
  - \$1,000,000 Property in Transit due to direct covered loss
    - Temporary Storage due to direct covered loss
    - Claim Preparation – includes design, legal and accounting fees caused by direct loss
    - Design fees incurred due to direct loss
    - Expediting Expense
  - \$100,000 Contract Penalty
    - Emergency Removal Expense due to direct covered loss
    - Fire Protective Equipment Recharge due to direct covered loss
    - Pollution or Contamination Clean-Up due to direct covered loss
    - Office and Construction Trailers & Contents
    - Trees, Shrubs and Plants
    - Valuable Papers & Records
- d. The perils covered are extended beyond those previously defined by including loss by rain, snow, sleet, sand, or dust to covered property in the open.
- e. Coverage is automatically activated for any new construction, except notice is to be given prior to the start date of any construction project having a contract value in excess of \$1,000,000. Failure to provide notice of such new construction waives the right to Automatic Builder's Risk coverage under the plan.
- f. Additions, renovations or new buildings in the course of construction are covered for the INTEREST OF THE **MEMBER**. This coverage only applies to work on the project being performed.
- g. The deductible is \$1,000 per **Occurrence**.

**2. OUTDOOR PROPERTY:**

- a. Coverage is provided to apply to trees, shrubs and plants, including **Debris Removal** expense, caused by or resulting from any of the following causes of loss:
  1. Fire
  2. Lightning
  3. Explosion
  4. Riot or Civil Commotion
  5. Aircraft
  6. Vehicle
  7. Vandalism
- b. The most MUSIC will pay for loss or damage under this coverage is \$25,000, but no more than \$500 per any one tree, shrub or plant.

**3. BUSINESS INCOME, RENTAL VALUE, AND EXTRA EXPENSE, INCLUDING ELECTRONIC DATA PROCESSING (“EDP”):**

- a. MUSIC will cover loss of income and **Extra Expense** necessarily incurred in continuing operations as a result of a covered loss to real and personal property scheduled on the Statement of Values.
- b. As soon as practical after a loss, the **Member** shall resume complete or partial operations and reduce or dispense with such **Extra Expense** as is being incurred.
- c. The period of recovery is limited to only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace that part of the property which has been damaged or destroyed. However, these coverages apply in any loss where the **Demolition and Increased Cost of Construction** sublimit is applicable. There is no deductible.

**INLAND MARINE COVERAGES**

MUSIC will provide coverage for the following equipment:

1. Data Processing Equipment

MUSIC will pay the full cost of repair or replacement, unless the **Member** does not replace, in which case only the actual cash value will be paid.

2. Data Processing Media

MUSIC will pay the full cost of replacement on reproduction, unless the **Member** does not replace or reproduce, in which case only the blank value of the media will be paid.

The perils covered for 1 & 2 above are extended over those previously defined to include interruption of incoming services, sudden and accidental mechanical breakdown, changes in temperature or humidity and power surges or other power fluctuations. This coverage does not, in any way, increase the Limits of Liability already defined in the Basic Coverages section. (Property exclusion 18 applies to this coverage.)

3. Athletic Equipment

4. Audio-Visual Equipment

5. Musical Instruments

6. Maintenance Equipment

7. Groundskeeping Equipment and Miscellaneous Property

All of the above property is part of the Contents Values in the Statement of Values submitted by each **Member**.

8. Lights

a. Football Field

b. Baseball Field

c. Tennis Courts

d. Any other exterior lighting

The above listed types of lighting are subject to a \$1,000 deductible and the value of such should be included in the Building Values of the Statement of Values submitted by each **Member**.

## **AUTOMOBILE PHYSICAL DAMAGE COVERAGE**

### **1. COVERAGE:**

MUSIC will pay for any physical loss to any **Automobile** that the **Member** owns or is responsible for, including loss to that covered **Automobile's** equipment, except as excluded below.

### **2. ADDITIONAL COVERAGES:**

- a. MUSIC will also pay up to \$500 or 100%, whichever is less, of reasonable costs to move a covered auto to the nearest repair/mechanical facility for towing and labor costs incurred after a covered loss.
- b. Garagekeepers Legal Liability- Will provide Physical Damage coverage to vehicles not owned by the **Member**, but are in the Care, Custody, and Control of the **Member** for purposes of repair or maintenance- Garage Operations Work.
- c. Rental Reimbursement- This coverage provides for loss of use to the **Member's** vehicle up to that time the adjustment deems your vehicle can reasonably be repaired or replaced when no alternative transportation is available through other **Member** vehicles.

Private Passenger:

School Bus:

\$750 per month limit per unit

\$2,500 per month limit per unit

\$2,500 maximum per **Occurrence**

\$7,500 maximum per **Occurrence**

- d. Loss Payees - Lessors or any other party with a legal or financial interest in any vehicle owned by, rented to or leased by the **Member** are covered as required by contract.
- e. Hired Autos Specified as Covered Autos You Own

### **3. OTHER INSURANCE:**

For any covered **Automobile** owned by the **Member**, MUSIC provides primary coverage. For any covered **Automobile** not owned by the **Member**, the coverage provided by MUSIC is excess over any other collectible insurance.

**CONDITIONS APPLICABLE TO ALL PROPERTY COVERAGES****A. JOINT MEMBERS**

MUSIC's total liability for any loss or losses sustained by any one or more of the **Members** under this Coverage will not exceed the sum insured shown in the Schedule. MUSIC shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the **Members** or any one or more of the **Members**.

**B. OTHER INSURANCE**

This Plan Document shall be excess of any other insurance available to the **Member** covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this Plan Document. When this Plan Document is written specifically in excess of other insurance covering the peril insured hereunder, this Plan Document 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 Plan Document in excess of the deductible with respect to each and every covered loss.

**C. SITUATION**

This Plan Document insures property located at the addresses stated in the Schedule respect of each.

**D. SUM INSURED**

MUSIC shall not be liable for more than the amount insured as stated in the Coverage Summary at page 9 for the per **Occurrence** limit or in the annual aggregate.

**E. DEDUCTIBLES**

Each **Occurrence** shall be adjusted separately and from each such amount the sum stated in the Coverage Summary at page number 9 shall be deducted.

**F. DUE DILIGENCE**

The **Member** (or any of the **Member'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 the 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.

**G. 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 Plan Document 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 MUSIC without their consent

**H. VALUATION OF LOSS:**

- a. The amount MUSIC will pay for a covered loss to covered property shall not exceed the smallest of the following:
  - (1) The cost to repair;
  - (2) The cost to rebuild or replace, all as of the time when with due diligence and dispatch the rebuilding or replacement could have taken place, on the same site, with new materials of equivalent size, kind and quality;

- (3) The actual expenditure incurred in rebuilding, repairing or replacing the damaged or destroyed property on the same or another site, but not to exceed the size and capacity that existed at the time of loss; or
  - (4) For only that covered property for which an **Agreed Value** is stated, the **Agreed Value**.
- b. If the property damaged or destroyed is useless to the **Member** or is not repaired, rebuilt or replaced on the same or another site within two (2) years after the loss or damage, MUSIC shall not be liable for more than the actual cash value (calculated using replacement cost less depreciation) of the property damaged or destroyed or the **Agreed Value** of the property damaged or destroyed, whichever is less.
  - c. For a covered Physical Damage loss to an **Automobile**, MUSIC will pay the smaller of the following:
    - (1) The actual cash value of the damaged or stolen property at the time of the loss; or
    - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind or quality.
  - d. In the event of a covered **Automobile** Physical Damage loss, MUSIC has the option to:
    - (1) Pay for, repair or replace damaged or stolen property: or
    - (2) Return any stolen property, at our expense. However, MUSIC will pay for any damage that results to the **Automobile** from the theft.
  - e. In the event of loss or damage to real property owned by the **Member** which has remained vacant beyond a period of ninety (90) days, MUSIC shall not be liable for more than the actual cash value.
  - f. **Accounts Receivable**
    - (1) All sums due the **Member** from customers, which the **Member** is unable to collect solely as the direct result of direct physical loss or damage by peril(s) insured against to the **Member's** records of **Accounts Receivable**;
    - (2) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
    - (3) Collection expense in excess of Normal collection cost and made necessary because of such loss or damage; Other expenses, when reasonably incurred by the **Member** in re-establishing records of **Accounts Receivable** following such loss or damage

For the purpose of this coverage, credit card company charge media shall be deemed to represent sums due the **Member** from customers, until such charge media is delivered to the credit card company.

When there is proof that a loss of records of **Accounts Receivable** has occurred but the **Member** cannot more accurately establish the total amount of **Accounts Receivable** outstanding as of the date of such loss, such amount shall be computed as follows:

- (4) The monthly average of **Accounts Receivable** during the last available twelve (12) months, together with collection expenses in excess of Normal collection costs during the last available twelve (12) months and made necessary because of such loss or damage, and reasonable expenses incurred in re-establishing records of **Accounts Receivable** following such loss or damage, shall be adjusted in accordance with the percentage increase or decrease in the twelve (12) months from when last available average of monthly gross revenues which may have occurred in the interim.

- (5) The monthly amount of **Accounts Receivable** thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred.

g. **Valuable Papers and Records –**

Exposed film, records, manuscripts and drawings: the value blank plus the cost of copying information from backup or from originals of a previous generation, but this Plan Document does not insure any other cost, including research, engineering or other cost, of restoring or re-creating information lost;

Data, programs or any other software stored on electronic, electromechanical, electromagnetic data processing or production equipment: the cost of transferring such from backup or from originals of a previous generation, but this Plan Document does not insure any other cost, including research, engineering or other cost of restoring or re-creating information lost.

h. **Fine Arts:**

- (1) If there is a schedule of values on file with the Company, then the scheduled value;
- (2) If there is no schedule of values on file with the Company, then the appraised market value at the time and place of loss.

**I. NOTIFICATION OF CLAIMS**

The **Member**, upon knowledge of any **Occurrence** likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to MUSIC

If any loss occurs which might be covered under the MUSIC program, the **Member** shall report that loss promptly to Gallagher Bassett Services, in writing, as soon as the insurance manager or a school official becomes aware of it. Any **Member's** endeavor to adjudicate its own loss other than emergency repairs could jeopardize coverage

- a. The **Member** must promptly notify Gallagher Bassett Services of any accident or loss. Written notice must be given containing reasonably obtainable information with respect to the time, place and circumstances involved and the names and addresses of any injured party(ies) and of available witnesses.
- b. The **Member** and any covered person must:
  - (1) Cooperate in the investigation, settlement or defense of any claim or suit. No **Member** shall, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense;
  - (2) Immediately send copies of any notices or legal papers received in connection with the accident or loss;
  - (3) Permit inspection and appraisal of the damaged property before its repair or disposition;
  - (4) Do what is reasonably necessary to protect the covered **Automobile**", property, or equipment from further loss;
  - (5) Submit a proof of loss within 60 days if required by MUSIC;
  - (6) Promptly notify the police if the covered **Automobile**, property, or equipment is stolen.

If the **Member** makes a claim under this Coverage he must give MUSIC such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by MUSIC, the **Member** must submit to examination under oath by any person designated by MUSIC.

**J. PROOF OF LOSS**

The **Member** 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 MUSIC) stating the time, place and cause of loss, the interest of the **Member** and all others in the property, the sound value thereof and the amount of loss or damage thereto. All records and damaged property shall be open for inspection by MUSIC at such reasonable times and places as MUSIC shall designate. The **Member** and any covered person must submit a proof of loss if required by MUSIC, within 60 days of the request.

If MUSIC has not received such proof of loss within two years of the expiry date of this Plan Document, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Plan Document, the burden of proving that the loss is recoverable under this Plan Document and that no limitation or exclusion of this Plan Document applies and the quantum of loss shall fall upon the **Member**.

**K. SUBROGATION**

Any release from liability entered into in writing by the **Member** prior to loss hereunder shall not affect this Plan Document or the right of the **Member** to recover hereunder. The right of subrogation against any of the **Member's** subsidiary or affiliated companies or any other companies associated with the **Member** through ownership or management is waived;

In the event of any payment under this Plan Document, MUSIC shall be subrogated to the extent of such payment to all the **Member's** right of recovery therefore. The **Member** shall execute all papers required, shall cooperate with MUSIC and upon MUSIC'S request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right, MUSIC will act in concert with all other interests concerned (including the **Member**) 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:

- (i) Any interest, (including the **Member's**), exclusive of any deductible or self-insured retention, suffering a loss of the type covered by this Plan Document and in excess of the coverage under this Plan Document shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- (ii) Out of the balance remaining MUSIC shall be reimbursed to the extent of payment under this Plan Document;
- (iii) The remaining balance, if any, shall inure to the benefit of the **Member**, or any insurer providing insurance primary to this Plan Document, with respect to the amount of such primary insurance, deductible, self-insured retention; and/or loss of a type riot covered by this Plan Document.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the **Member**, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative MUSIC, the expense thereof shall be borne by MUSIC.

**L. SALVAGE AND RECOVERIES**

In the event of a covered loss, it shall be the option of MUSIC to take all or part of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality, within a reasonable period of time.

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Plan Document shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

**M. FALSE OR FRAUDULENT CLAIMS**

If the **Member** shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Plan Document shall become void and all claims and benefit hereunder shall be forfeited.

**N. MISREPRESENTATION**

This entire coverage package shall be void if the **Member** has concealed or misrepresented in writing, or otherwise, any material facts or circumstances concerning this program or if the **Member** shall make any attempt to defraud MUSIC either before or after a loss.

**O. ABANDONMENT**

There shall be no abandonment to MUSIC of any property.

**P. INSPECTION AND AUDIT**

MUSIC or its agents shall be permitted but not obligated to inspect the **Member's** property at any time.

Neither MUSIC'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 **Member** or others, to determine or warrant that such property is safe.

MUSIC may examine and audit the **Member's** books and records at any time up to two years after the final termination of this Plan Document, as far as they relate to the subject matter of this Coverage.

**Q. ASSIGNMENT**

Assignment or transfer of this Plan Document shall not be valid except with the prior written consent of MUSIC.

**R. RIGHTS OF THIRD PARTIES EXCLUSION**

This Plan Document is effected solely between the **Member** and MUSIC.

This Plan Document shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Plan Document.

This clause shall not affect the rights of the **Member**.

**S. CANCELLATION**

This Plan Document shall be non-cancellable by MUSIC or the **Member** except in the event of non-payment of premium where MUSIC may cancel the Plan Document at their discretion.

In the event of non-payment of premium this Plan Document may be cancelled by or on behalf of MUSIC by delivery to the **Member** or by mailing to the **Member** or the Broker by registered, certified, or other first class mail at the **Member's** address as shown in this Plan Document, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Plan Document shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

**T. ARBITRATION**

If the **Member** and MUSIC fail to agree in whole or in part regarding any aspect of this Plan Document, 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 the **Member** and MUSIC 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.

**U. SEVERAL LIABILITY**

MUSIC's obligations under this Plan Document are several and not joint and are limited solely to their individual subscriptions.

**V. LEGAL ACTION AGAINST MUSIC**

No suit or action for the recovery of any claim shall be sustainable unless the **Member** shall have fully complied with all the requirements of this Plan Document, nor unless commenced within twenty-four (24) months after the date of loss, unless a longer period is provided for by applicable statute.

**W. MATERIAL CHANGES**

The **Member** shall notify MUSIC of any change of circumstances which would materially affect this Coverage.

**X. EXPERTS FEES**

This Coverage includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts who are incurred in reinstating or repairing the insured property following damage insured under this Plan Document.

**Y. MUSIC'S RIGHT TO RECOVER FROM OTHERS:**

In the event of any payment under this program, the **Member** shall execute and deliver instruments and papers and do whatever else is necessary to secure the rights of MUSIC to recover from others. The **Member** shall do nothing after loss to prejudice such rights. Any release from liability entered into prior to loss, however, shall not affect this coverage or the right of the **Member** to recover from it. Upon payment of any loss, the **Member** will, at MUSIC's request and expense, make claim against any party which MUSIC believes to be liable for such loss, and will use all proper and reasonable means to recover that loss, under the exclusive direction and control of MUSIC.

In the event of payment under this coverage, MUSIC is entitled to recover what it paid from other parties. Any person to whom MUSIC makes payment must transfer its rights of recovery against any third party to MUSIC. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

**Z. SERVICE OF SUIT**

This Service of Suit Clause is only applicable to **Members** domiciled in the United States of America.

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 Plan Document. 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 contract of coverage.

It is agreed that in the event of the failure of MUSIC hereon to pay any amount claimed to be due hereunder, MUSIC at the request of the **Member**, will submit to the jurisdiction of a Court of competent jurisdiction within the State of Missouri. Nothing in this Clause constitutes or should be understood to constitute a waiver of MUSIC's rights to commence an action in any Court of competent jurisdiction in the State of Missouri.

It is further agreed that service of process in such suit may be made upon MUSIC's representatives stated in the Schedule and that in any suit instituted against any one of them upon this contract, MUSIC will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of MUSIC in any such suit and/or upon the request of the **Member** to give a written undertaking to the **Member** that they will enter a general appearance upon MUSIC's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the State of Missouri which makes provision therefore, MUSIC hereon hereby designates the Director of Insurance for the State of Missouri or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Member** or any beneficiary hereunder arising out of this contract of coverage, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

**AA. VALUES AT RISK:**

It is the **Member's** responsibility to report to MUSIC the Property values for each Building and Contents and the number of vehicles by type. MUSIC will send each **Member** a copy of their current Statement of Values (on file with MUSIC) at least once per year in order for the **Member** to make updates. It is the **Member's** obligation to verify and make certain the values are accurate and reflect Replacement Cost values, or **Agreed Values**, if approved by MUSIC.

**BB. APPRAISAL:**

If the **Member** and MUSIC fail to agree on the amount of a particular loss, within sixty (60) days after receipt of a Proof of Loss by MUSIC, either side may make a written demand to select competent and disinterested appraisers to help settle the claim. The appraisers shall select a competent and disinterested umpire, but if within fifteen (15) days they have failed to do so, the umpire will be selected by a judge of a court of record in the county in which the appraisal will be done. The appraisers shall then appraise the loss, and if failing to agree shall submit their differences to the umpire. An award in writing by any two shall determine the amount of loss. The **Member** and MUSIC shall each pay their own chosen appraiser and shall share equally any other expenses of the appraisal and the umpire. MUSIC and the **Member** shall not be held to have waived their rights by any act relating to the appraisal.

This provision does not apply to that covered property for which an **Agreed Value** is specified in the Statement of Values submitted by the **Member**. All covered loss to covered property for which an **Agreed Value** has been specified shall be adjusted and settled based on the limits agreed to in the current plan year, not to exceed the **Agreed Value** for the covered property at a given covered location, regardless of the blanket limit specified in the Statement of Values.

**CC. ASSISTANCE AND COOPERATION OF THE MEMBER:**

The **Member** shall cooperate with MUSIC and, upon MUSIC's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. Other than as provided for in the following section 16 of this outline, the **Member** shall not, except at its own cost voluntarily make any payment, assume any obligation or incur any expense.

**DD. PROTECTION OF PROPERTY:**

In case of loss covered under MUSIC, it shall be lawful and necessary for the **Member** to defend, safeguard, and to recover any property covered hereunder. Any expenses incurred in this effort shall be borne by the **Member** and MUSIC to the extent of their respective interests.

**EE. PAYMENT OF LOSS:**

All adjusted claims shall be due and payable thirty (30) days after the presentation and acceptance of a Proof of Loss at the office of MUSIC.

**FF. INSPECTION:**

MUSIC, at any reasonable time, shall be permitted but not obligated to inspect the property of the **Member**. No inspection shall be considered an undertaking to determine that such property is safe or healthful.

**GG. NO CONTROL:**

This coverage shall be invalidated by an increase in hazard by any means within the control and knowledge of the **Member**.

**HH. EXPENSE TO PREVENT OR REDUCE LOSS**

In the event of an actual or imminent loss, during the Plan Document term, to a **Member's** covered property, by a peril insured against, MUSIC will reimburse the **Member** for documented reasonable expense incurred to safeguard or preserve the **Member's** property. In the event there is no actual loss, documentation for the necessity of the expense will be required for consideration of any payment, unless prior approval was obtained from MUSIC in advance of the expense. Payment of this expense will reduce the limit of loss applicable to that **Occurrence**.

## **DEFINITIONS**

### 1. **Agreed Value** means:

At the **Member's** request and subject to MUSIC's approval, the **Member** may pay an assessment for a specific covered location or contents at a specific covered location less than the MUSIC appraised or recommended value, which shall constitute an "agreed value." However, the **Member** agrees that in the event of a total or partial covered loss, the covered loss for covered property at that location will be adjusted and settled based on the limits agreed to in the current plan year, not to exceed the **Agreed Value** for the covered property at that covered location, regardless of the blanket limit specified in the Statement of Values.

In the event of a total loss, it is not a requirement hereunder that the **Member** repair, rebuild, or replace the destroyed or damaged property in order to collect loss or damage covered by this **Agreed Value** option. In the event the property is not repaired, rebuilt, or replaced, MUSIC will pay the amount of the Actual Cash Value of the repairs or the Actual Cash Value of the replacement, as determined by MUSIC at the time of the loss, not to exceed the stipulated **Agreed Value**. In the event of a total or partial loss, all costs and expenses related to **Debris Removal**, demolition, and Ordinance Deficiencies are included within the **Agreed Value** limit as described above and MUSIC will not pay any amount in excess of the stipulated **Agreed Value**, regardless of the blanket limit specified in the Statement of Values.

In order to collect the stipulated value of repairs or the value for replacement (as limited by the **Agreed Value** described above) of the damaged property, the **Member** must complete repairs of the damaged property within one hundred eighty (180) days from the date of loss, or in the event of a total loss the **Member** must commence replacement of the damaged building or property within one hundred eighty (180) days of the date of loss. MUSIC may agree to extend such time to repair or replace, but such extension must be in writing and agreed to by MUSIC. Otherwise, MUSIC will pay the Actual Cash Value as described above, not to exceed the stipulated **Agreed Value**.

### 2. **Accounts Receivable** means:

The sums due the **Member** from customers; interest charges on any loan to offset impaired collections pending repaying of such sums; collection expense in excess of normal collection cost.

### 3. **Automobile** means:

A vehicle or self-propelled machine that is licensed for use on public roads.

### 4. **Business Income** means:

- 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 expenses and discretionary payroll expenses as described and limited below.

We will only pay for payroll expenses for the number of days of Payroll Period shown in the Declarations. The number of days need not be consecutive but must fall within the period of restoration or extension of the period of restoration if an extension is provided under this Plan Document. If the Declarations do not indicate a Payroll Period, then payroll expenses: are excluded.

We will only pay for discretionary payroll expenses for the number of days of Discretionary Payroll Period shown in the Declarations. The number of days need not be consecutive but must fall within the period of restoration or extension of the period of restoration if an extension is provided under this Plan Document. Discretionary payroll expenses will be included as continuing normal operating expenses in determining the amount of **Business Income** loss, provided that you pay such expenses and regardless of whether such expenses are necessary to resume operations. If

the Declarations do not indicate a Discretionary Payroll Period, then discretionary payroll expenses are excluded.

5. **Debris Removal** means:

This Plan Document also covers the reasonable and necessary costs and expenses the **Member** incurs due to physical loss or damage from a peril covered under this Plan Document for removing from a covered location debris remaining after such physical loss or damage to property of the type insured under this Plan Document.

The Coverage part does not apply to the increased cost of removal or disposal of covered property due to contaminants or pollutants.

There shall be no liability for expense of removing contaminated property not covered by this Plan Document or the contaminants or pollutants therein or thereon, whether or not the contamination results from an insured event.

6. **Demolition and Increased Cost of Construction** means:

- a. The value of the undamaged portion of the damaged building(s) that must be demolished;
- b. The cost of demolishing the undamaged portion of the damaged building(s) that must be demolished because of such law or ordinance, including the cost of clearing the site;
- c. The increased cost of repair or reconstruction of the damaged and undamaged portion of the damaged building(s) on the same site or another site, but limited to the costs that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged building(s) on the same site; and
- d. The increased loss or costs for business interruption, **Extra Expense**, or rental value arising out of the additional time required to comply with said law or ordinance.

MUSIC shall not be liable for any costs attributable to any ordinance or law that the **Member** was required to, but failed to, comply with before the loss.

MUSIC shall not be liable under (c) or (d) of this clause for any loss unless the damaged building is actually repaired, rebuilt or replaced with property of the same size and occupancy on the same site or at another site as soon as reasonably possible.

7. **Earthquake** means:

Earth movement, earthquake, landslide, earth sinking, rising, or shifting, including collapse, cracking or shifting of buildings, structures or their parts, caused by, resulting from, contributed to or aggravated by **Earthquake**, all occurring during any period of one hundred sixty eight (168) consecutive hours during the term of this Plan Document.

8. **Electronic Data Processing ("EDP")** means:

Information, facts, or **Computer Programs** stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term **Computer Programs** means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or save data.

- a. MUSIC shall not be liable beyond the actual retail replacement cost of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated on the basis of the actual cash retail replacement cost of property similar in kind to that covered at the place of and immediately preceding the time of such loss or damage, but in no event to exceed the limit of liability stipulated for Contents on the Property Schedule.

- b. It is a condition of this coverage agreement that the **Member** shall file with MUSIC a copy of any lease or rental agreement pertaining to the property covered hereunder insofar as concerns the lessors' liability for loss or damage to said property, and coverage afforded hereunder shall be only for the difference in conditions between those contained in said lease or rental agreement and the terms of this Schedule.
- c. The **Member** agrees to give MUSIC thirty (30) days' notice of any alteration, cancellation or termination of the above mentioned lease or rental agreement pertaining to the lessors' liability, subject otherwise to all terms, clauses and conditions.

9. **Extra Expense** means:

Necessary expenses you incur that you would not have incurred if there had been no direct physical loss or damage to property:

- a. To avoid or minimize the suspension of business and to continue operations:
  - (1) At the described premises; or
  - (2) At replacement premises or at temporary locations, including relation expenses and costs to equip and operate the replacement or temporary locations;
- b. To minimize the suspension of business if you cannot continue operations; or
- c. To the extent it reduces the amount of loss that otherwise would have been payable under the applicable Property Coverage Part:
  - (1) To repair or replace any property; or
  - (2) To research, replace or restore the lost information on damaged **Valuable Papers and Records**.

10. **Fine Arts** means:

Paintings; works of art; etchings; pictures, tapestries; rare or art glass; art glass windows; valuable rugs; statuary; marbles; bronzes; sculptures; antique furniture; antique jewelry; porcelains; and similar property of rarity, historical value or merit. Antique as used in this definition means an object having value because its craftsmanship is in the style or fashion of former times; and age is 100 years old or older.

Paintings, etchings, pictures, tapestries, and other bona fide works of art including, but not limited to, statuary, marbles, bronzes, antique furniture, rare books, antique silver, rare manuscripts, porcelains, rare glass, and bric-a-brac of rarity, historical value or artistic merit.

11. **Flood** means:

- a. the rising of surface water. Waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;
- b. water which backs up through sewers or drains;
- c. mudslide or mud flow;

Water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basements or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors **are all excluded**, unless caused by an event described in items a, b, or c in this definition.

12. **Flood Zone A** means:

Loss or damage due to **Flood** occurring anywhere within the Plan Document territory at Locations wholly or partially situated in those areas designated as 100 Year (1% annual chance of flooding)

floodplains by the Federal Emergency Management Agency or other governmental authority. However, MUSIC and their underwriters will take into consideration buildings or covered property at **Flood Zone A** locations which have been verified as being completely outside of **Flood Zone A**, and consequently not subject to the **Flood Zone A Flood** limitation.

13. **Joint Loss Agreement** means:

- a. This condition is intended to facilitate payment of coverage proceeds when:
  - (1) Both a commercial property policy and this equipment breakdown coverage are in effect;
  - (2) Damage occurs to covered property that is insured by the commercial property policy and this equipment breakdown coverage and
  - (3) There is disagreement between MUSIC and the commercial property insurer as to whether there is coverage or as to the amount of the loss to be paid, if any, by MUSIC and the commercial property insurer under its own policies.
- b. This condition does not apply if:
  - (1) Both the commercial property insurer(s) and we do not admit to any liability; and
  - (2) Neither the commercial property insurer(s) nor we contend that coverage applies under the other insurer's policy.
- c. The provisions of this condition apply only if all of the following requirements are met:
  - (1) The commercial property policy carried by the Named Member, insuring the covered property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this condition;
  - (2) The damage to the covered property was caused by a loss for which:
    - (a) Both the commercial property insurer(s) and we admit to some liability for payment under the respective policies; or
    - (b) Either:
      - i. The commercial property insurer(s) does not admit to any liability for payment, while we contend that:
        - (i) All liability exists under the commercial property policy; or
        - (ii) Some liability exists under both the commercial property policy and this equipment breakdown coverage;
      - ii. We do not admit to any liability for payment, while the commercial property insurer(s) contends that:
        - (i) All liability exists under this equipment breakdown coverage; or
        - (ii) Some liability exists under both the commercial property policy and this equipment breakdown coverage; or
      - iii. Both the commercial property insurer(s) and we:
        - (i) Do not admit to any liability for payment; and
        - (ii) Contend that some or all liability exists under the other insurer's policy; and
    - (c) The total amount of the loss is agreed to by you, the commercial property insurer(s) and us.

- h. If the requirements listed in Paragraph c. above are satisfied, we and the commercial property insurer(s) will make payments to the extent, and in the manner, described as follows:
- (1) We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this equipment breakdown coverage and one-half (1/2) the amount of the loss that is in disagreement;
  - (2) The commercial property insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the commercial property policy and one-half (1/2) the amount of loss that is in disagreement;
  - (3) Payments by MUSIC and the commercial property insurers of the amounts that are in disagreement, as described in Paragraphs (1) and (2) above, do not alter, waive or surrender any rights of MUSIC or the commercial property insurers against any other with regard to the portion of the loss for which MUSIC and the commercial property insurers are liable;
  - (4) The amount in disagreement to be paid by **us** under this condition shall not exceed the amount payable under the equivalent loss agreement(s) of the commercial property policy;
  - (5) The amount to be paid under this condition shall not exceed the amount we would have paid had no commercial property policy been in effect at the time of loss. In no event will we pay more than the applicable limit of coverage shown in the Declarations.
  - (6) Acceptance by you of sums paid under this condition does not alter, waive or surrender any other rights against us.

14. **Loss of Rents** means:

Subject to the sublimit specified in Section I.f. of this Plan Document, recovery in the event of loss hereunder shall be the actual loss sustained by the **Member** resulting directly from necessary untenability of insured premises, caused by direct physical loss or damage from peril(s) insured against, but not exceeding the reduction in rental value less charges and expenses which do not necessarily continue during the period of untenability for only such length of time as would be required, with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property insured herein as has been damaged, commencing with the date of such damage and not limited by the date of expiration of this Plan Document.

For purposes of this Plan Document, rental value is defined as the sum of:

The total anticipated gross rental income from tenant occupancy of the covered property, and

- (1) the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the **Member**, and
- (2) the fair rental value of any portion of the said property which is occupied by the **Member**.

In determining the rental value, due consideration shall be given to the rental experience before the date of the damage and the probable experience thereafter had no loss occurred.

As respects rental value coverage, this Plan Document also covers such expenses as are necessarily incurred for the purpose of reducing loss, but in no event shall the aggregate of such expenses exceed the amount by which the loss otherwise payable under this Plan Document is thereby reduced.

15. **Occurrence** means:

Any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts for the same purpose or cause. The duration and extent of any one **Occurrence** shall be limited to all losses sustained by the **Member** at the property insured herein during any period of seventy-two (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 Policy unless the **Member** shall first

sustain direct physical damage by an Act 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 Policy. This definition does not apply to **Earthquake** which is stated as any period of one hundred and sixty eight (168) consecutive hours as stipulated under clause 7. of the Definition section of this Plan Document.

16. **Service Interruption** means:

Any direct physical loss or damage to unowned property described in paragraphs 1. or 2. below is caused directly by peril(s) insured against, (including covered equipment breakdown if applicable) and which, without the intervention of any other independent cause, results in a sequence of events which cause direct physical loss or damage to covered property at a covered location, including loss caused by a change in temperature or humidity, and/or time element loss, as provided by this Plan Document.

- (1) Property, not otherwise excluded, at covered locations and within one thousand (1,000) feet thereof that is used by the **Member** for: air conditioning; communications; cooling; heating; humidifying; lighting; refrigeration; or generation and/or conversion of power. This includes all associated transmission and distribution lines while on covered locations and within one thousand (1,000) feet thereof.
- (2) Property, not otherwise excluded, beyond one thousand (1,000) feet from covered locations that provides the **Member** services of: communications; electricity; fuel; gas; refrigeration; sewer; steam; or water to covered locations. This includes generating equipment, switching stations, substations, transformers, pumping and storage facilities, but excludes any associated transmission and distribution lines beyond the physical boundaries of the service providing facility.
  - (a) The physical damage deductible for this coverage is the applicable deductible for the covered peril causing such physical loss or damage to such unowned property.
  - (b) Coverage for any time element loss, as provided by this Plan Document, for this coverage applies only if any of the above mentioned services are continuously affected, as described above, for more than twelve (12) hours.

In the event that the qualifying period has been satisfied, the Company shall then be liable for the amount of the time element loss until the resumption of normal operations, in excess of the applicable deductible for the covered peril causing such physical loss or damage to such unowned property.

17. **Tuition and Fees** means:

Total anticipated income from tuition and related fees from students, including fees from room, board, laboratories, and other similar sources.

**Tuition and Fees** does not include research grants.

18. **Vacant and Unoccupied** means:

If the property has been vacant or unoccupied for more than 90 consecutive days:

- (1) When this coverage applies to a **Member** as a tenant, and with respect to that tenant's interest in covered property, building means the unit or suite rented or leased to the tenant **Member**. Such building is **Vacant and Unoccupied** when it does not contain enough business personal property to conduct customary operations.
- (2) When coverage applies to a **Member** as an owner or general lessee of a building, building means the entire building. Such building is **Vacant and Unoccupied** unless at least 31% of its total square footage is:
  - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operation; and/or

(b) Used by the building owner to conduct customary operations.

(c) Buildings under construction or renovation are not considered vacant.

19. **Valuable Papers and Records** means:

Inscribed, printed or written documents, manuscripts or records including abstracts, books, deeds, drawings, films, maps or mortgages. **Valuable Papers and Records** do not include: money, securities, electronic data, programs or instructions used in your **EDP** operations, including the materials on which electronic data is recorded.

## **TERRORISM COVERAGE**

### **1 Agreement**

Notwithstanding any provision of the **Property coverage** to the contrary, including any provision that provides all-risk or named perils coverage, this Terrorism section of the Plan Document converts coverage to cover **damage** and/or non-**damage** caused by an "**act of terrorism**" as described more fully within the 'Schedule' and this Terrorism section.

Wherever the word "insurance" whether singular or plural appears herein it shall be understood to include reinsurance.

### **2 Schedule**

#### **Overall limit of liability:**

\$50,000,000 any one **occurrence** and in the aggregate **damage** and **financial loss** combined during the **period of coverage**.

Financial loss: included above

Indemnity period: 12 Months

#### **Territory:**

Anywhere within the United States of America and/or Territories of the United States of America other than any exposure located within the **referral region and zip code list** herein.

**Sub-Limit of liability:** All as per the **Property coverage** except:

(a) **Sub-limit of liability** applies any one **occurrence** and in the annual aggregate during the **period of coverage** and

(b) Where a **sub-limit of liability** stated below is lower than the **limit of liability** provided by the **Property coverage**, the lower limit shall apply:

i. Brand rehabilitation: 10% of the overall **limit of liability** or \$500,000 whichever the lesser but this extension is only operative where such cover is not provided for within a **financial loss** settlement under the **Property coverage**.

ii. Claims preparation: 10% of the overall **limit of liability** or \$100,000 whichever the lesser.

iii. Contingent Financial Loss (Customer and Supplier contingent extra expense): \$5,000,000

iv. Damage to property at any Other than sites included in the **referral region and** unspecified third party site: **zip code list** \$500,000 **damage / financial loss** combined.

v. Damage to property while in Transit: \$500,000 (or currency equivalent) **damage / financial loss** combined.

vi. Denial of Access: \$5,000,000

vii. Seepage Contamination and Pollution/Clean up: \$5,000,000

viii. Utilities: \$5,000,000

ix. Attraction: \$5,000,000

x. Contract works: \$5,000,000

xi. Extinguishment Expenses: \$500,000

xii. Threat: \$5,000,000

### 3 Definitions

The following words will have the same meaning attached each time they appear in this Terrorism section of the Plan Document in **bold** type face, whether with a capital first letter or not. Where the context so admits or requires, words importing the singular will include the plural and vice versa and words importing the masculine will import the feminine. All headings within this Terrorism section are included for convenience only and will not form part of this Plan Document.

#### Act of terrorism

Act of terrorism means an act or series of acts, involving the use of force or violence, of any person or group of persons, whether acting alone or on behalf of or in connection with any organization, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

For the avoidance of doubt an 'act of terrorism' shall include an **act of sabotage**.

#### Act of sabotage

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.

#### Ascertained net loss

Ascertained net loss shall mean continuing fixed expenses payable when **gross revenue** falls below **fixed expenses**.

#### Attraction properties

Attraction properties shall mean properties, not owned or operated by the **Member**, which attract potential customers to the **vicinity** of the premises of the **Member**.

#### Biological

Biological agent shall mean any pathogenic (disease producing) micro-organism(s) and/or biologically produced toxin(s), including genetically modified organism(s) and chemically synthesized toxins) which cause illness and/or death in humans, animals, plants or contaminates real or personal property.

#### Business

Means the activities of the **Member**, including but not limited to:

- a) provision and management of canteens, sports, social and welfare and medical organizations for the benefit of an employee of the **Member** and/or their pensioners, sponsorships, medical, dental, nursing, first aid, fire, rescue and ambulance services, principally in connection with but not limited to the operations of the **Member**,
- b) provision of security services for the benefit of the **Member**,
- c) provision of nursery, creche or child care facilities where incidental to the business,
- d) ownership and leasing of property for purposes incidental to the business, including repair, refurbishment and maintenance of such property,
- e) organization of and participation in exhibitions, trade fairs, conferences and the like,
- f) private work undertaken by any employee for any fellow employee, director, or executive of the **Member**,
- g) employment of subcontractors for performance of work on behalf of the **Member**,
- h) organization of charitable events or similar fund raising activities,

- i) sponsorship of events, organizations, entities and individuals,
- D repair, maintenance and servicing of own mechanically propelled vehicles,
- k) sale or disposal of own property and goods, including owned mechanically propelled vehicles,
- 1) provision of gifts and promotional material incidental to the **business**.

### **Cancellation**

Cancellation means the inability to proceed with any or all of an **event** prior to commencement.

### **Chemical**

Chemical agent shall mean any compound which, when suitably disseminated, produces incapacitating, damaging or lethal effects on people, animals, plants or contaminates real or personal property.

### **Claim**

The word "claim(s)", wherever used in this Terrorism section, shall mean that part of each written demand received by the **Member** for monetary damages covered by this section, including the institution of **arbitration** proceedings. The term "claim" shall not include a demand for an injunction or any other non-monetary relief.

### **Damage**

Damage means physical loss, destruction or physical damage.

### **Event**

Event shall mean an organized public, social or sporting occasion.

### **Expenses**

Expenses shall mean the total of **fixed expenses** and **variable expenses** associated with **the property covered**. Expenses which have not been declared to and agreed by MUSIC shall not be covered by this Plan Document.

### **Financial loss**

Financial loss means loss resulting from interruption of and/or interference to the **business** of the **Member** in respect of **damage** and/or non-**damage** caused by an **act of terrorism**.

For the purpose of this Terrorism section, financial loss shall also include increased cost of working and/or additional increased cost of working and/or **gross revenue** and/or gross profit and/or **net profit** and/or loss of rent and/or as otherwise more fully defined within the **Property coverage**.

### **Fixed Expenses**

Fixed expenses shall mean the total of all costs and charges which do not vary depending on revenue.

### **Gross Revenue**

Gross revenue means the money paid or payable to the **Member** for goods sold and delivered and for services rendered in the course of the **business** at the **property covered** during the indemnity period being adjusted to allow for all material trends, variations or changes in market conditions which would have affected the gross revenue of the **Member** in the absence of the **occurrence**. Any reduction in gross revenue that is not specifically attributable to the **occurrence** shall not be covered by this extension.

The extension shall not cover any reductions in gross revenue or insufficient interest prior to the **occurrence** for any **property covered**.

**Limit of liability**

The limits of liability shall mean the maximum amounts that MUSIC will pay for all **claim(s)** or losses arising from all **occurrences** as stated in the 'Schedule' as provided under the 'Insuring clause'. Where a **limit of liability** is stated in the 'Schedule' as in the aggregate, that aggregate is the maximum the **insurer** will pay for all **occurrence** during the **period of insurance**.

**Military authority**

Military authority shall mean a military or security authority operating on behalf of a state recognized by the United Nations.

**Net Profit**

Net profit shall mean any profit derived from **business** operations carried on by the **Member** at a **property covered**, consisting of **gross revenue** less all **expenses** reasonably incurred by the **Member** to generate such **gross revenue**.

**Nuclear**

Nuclear shall mean a device which derives its destructive force from nuclear reactions of fission or fusion which triggers nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination; however, such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

**Occurrence**

Occurrence means any one loss and/or series of losses occasioned by, happening through, arising out of and in consequence of any one **act of terrorism** for the same purpose or cause. The duration and extent of any one occurrence shall be limited to all losses sustained by the **Member** during any period of seventy-two (72) consecutive hours. However, no such period of seventy-two (72) consecutive hours may extend beyond the expiration of this Plan Document unless **damage** first occurs prior to expiration. No period of seventy-two (72) consecutive hours shall commence prior to the attachment of this Plan Document.

**Period of coverage**

Period of coverage means the period stated in the Coverage Summary.

**Postponement**

Postponement means the inability to proceed with any or all of an **event** prior to commencement.

**Property coverage**

Coverage provided by the Property section of this Plan Document.

**Property covered**

Property covered means the **Member** property as per the **Property coverage**.

**Public authority**

Public authority shall mean a Federal, State, County, Town, Council, Municipality or other local government agent with authority to build, operate or maintain public facilities.

**Radiological**

Radiological shall mean any radiological isotope or radioisotope which includes but is not limited to a natural or artificially created isotope of a chemical element having an unstable nucleus that decays, emitting alpha, beta or gamma rays which causes illness and/or death in humans, animals, plants or contaminates real or personal property.

### Referral region and zip code list

Referral region zip code list shall mean Chicago 60601 through to 60611, New York City 10001 through to 10029, then 10036, 10038, 10047 and 10048, San Francisco 94102, 94103, 94104, 94105, 94107, 94108, 94109, 94110, 94111.

### Ultimate Net Loss

The words "ultimate net loss", wherever used in this Terrorism section, shall mean the amount that MUSIC is obligated to pay, by judgement or settlement, as damages resulting from a **claim**, including **defense expenses** in respect of such **claim** arising out of an **occurrence**.

### Variable Expenses

Variable expenses shall mean costs and charges that change in proportion to the activity of the **business**.

### Vicinity

Vicinity shall mean within a ten (10) mile radius of the **property covered**.

## 4 Insuring clause

MUSIC will indemnify the **Member** up to the overall **limit of liability** stated in the 'Schedule' for:

- a) **damage to property covered** by an **act of terrorism**;
- b) **financial loss** resulting from **damage** by an **act of terrorism**, to any building or other **property covered** that is used by the **Member**, for the purpose of the **business**;

occurring during the **period of insurance** at the premises within the 'Territorial limits' as stated in the 'Schedule' or as otherwise expressly provided herein.

Provided that MUSIC's liability under this Terrorism section of the Plan Document shall not exceed the overall **limit of liability** or in respect of any item its sum Member or any other relevant **limit of liability** or sub-**limit of liability** stated in the 'Schedule'.

## 5 Application of Property coverage

5.1 Except as otherwise provided herein at paragraphs a) to h) below, this Terrorism section of the Plan Document is subject to the same basis of settlement, terms and conditions, definitions, extensions and other provisions as the **Property coverage**, and it is agreed that those provisions are expressly incorporated from the **Property coverage** into this Terrorism section of the Plan Document.

The provisions which are not expressly incorporated from the **Property coverage** are as follows:

- a) the premium;
- b) the overall limit;
- c) any provision relating to the reinstatement of sums insured or limits;
- d) any terms which provide for adjustments of premium based upon declarations on expiry or during the period of insurance;
- e) any terms which provide for the addition of locations in the referral region and zipcode list;
- f) the deductible(s) or excess(es);
- g) any renewal or long term agreement;
- h) exclusions.

For the avoidance of doubt, it is further agreed that the express provisions of this Terrorism section shall prevail over any provisions incorporated from the **Property coverage** where such provisions are incompatible with each other.

Where loss, but for the happening of an act of terrorism, would be recoverable under more than one **Property coverage**, such loss shall be recoverable hereunder and adjusted under the relevant terms of the **Property coverage** which provides the most favorable result to the **Member**, such judgement being made at the sole discretion of the **Member**.

## 6 Application of sub-limits of liability

The sub-limits of liability shown in this Terrorism section and/or the **Property coverage** apply in the annual aggregate for all **property covered** and coverages.

Each sub-limit of liability stated in this Terrorism section and/or the **Property Coverage** applies as part of, and not in addition to, the overall Plan Document limit for an occurrence covered hereunder.

Each sub-limit of liability is the maximum amount potentially recoverable from all insurance layers combined for all Member loss, damage, expense, financial loss, time element or other insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location, or peril.

This clause takes precedence over and, if in conflict with any other wording in the **Property coverage** bearing on the application of sub-limits of liability, replaces that wording.

## 7 Extensions

Notwithstanding the exclusions of this Terrorism section of the Plan Document or the **Property coverage**, damage hereunder is extended to include:

### Brand rehabilitation

In the event of damage to **property covered** under this Terrorism section by an **act of terrorism**, MUSIC will pay:

- a) advertising costs; and/or
- b) cost of crisis public relations consultancy

necessarily and reasonably incurred by the **Member** for up to a maximum of 30 (thirty) days starting at the time of the damage, for the sole purpose of avoiding or diminishing a reduction in turnover or resuming or maintaining normal business.

Provided that the act of terrorism giving rise to a claim under this Terrorism section results in damage hereby covered exceeding ten percent (10%) of the overall **limit of liability** hereon.

This extension is only operative where such cover is not provided for within a financial loss settlement under the **Property coverage**.

Subject to the excess, the maximum liability of the insurer shall not exceed the sub-limit of liability stated in the 'Schedule'.

### Claims preparation expenses

In the event of **damage to property covered** under this Terrorism section by an **act of terrorism**, MUSIC will pay expenses reasonably incurred by the **Member** or representatives of the **Member** for preparing and presenting details of a valid claim under this Terrorism section.

Coverage will not include the fees and costs of attorneys, public adjusters and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them.

The maximum liability of MUSIC shall not exceed the sub-limit of liability stated in the 'Schedule'.

### Contract Works

This Terrorism section extends to include the permanent and/or temporary works forming part of any **Member** contract at the **property covered** including materials incorporated or to be incorporated therein. This shall include all **property covered** or for property for which they are responsible as principal or employer but not building or machinery of a prototype or experimental nature and only in respect of extensions or additions to existing buildings, structures or facilities at an already established location.

The maximum liability of MUSIC shall not exceed the **sub-limit of liability** stated in the 'Schedule'.

### Extinguishment Expenses

MUSIC will pay the reasonable costs incurred by the **Member** in:

- a) refilling fire extinguishing appliances
- b) recharging gas flooding systems
- C) replacing used sprinkler heads
- d) refilling sprinkler tanks where costs are metered
- e) resetting fire and intruder alarms and closed circuit television systems and similar equipment all in consequence of **damage** as covered hereby.

MUSIC will also pay the reasonable costs charged by any **public authority** relating to the extinguishing or fighting of fire.

The maximum liability of MUSIC shall not exceed the **sub-limit of liability** stated in the 'Schedule'.

### Loss Control

Notwithstanding any provision to the contrary within this Terrorism section or the **Property coverage**, it is understood and agreed that this Terrorism section includes cover against **damage to property covered** directly caused by the actions of the government of the state (or its **military authority**) where the **property covered** is located, in suppressing, controlling or minimizing the consequences of an **act of terrorism**, as Member by this Terrorism section.

MUSIC will only provide this cover if such **damage** is directly caused by the actions of the government of the state (or its **military authority**) where the **property covered** is located and such **damage** takes place during the **occurrence** of an **act of terrorism**.

If the **Member** is eligible for compensation or indemnity under any government compensation plan or other similar scheme in respect of the **damage** described above, this Terrorism section shall be excess of any payment due from such plan or scheme.

### Public Authorities and increased cost of construction

This Terrorism section shall cover the increased construction cost of **damage** sustained at/or destroyed at **property covered** (including the additional loss sustained in demolishing any undamaged portion of the buildings, or structures) that may be incurred solely by reason of the necessity to comply with any law or ordinance which regulates the use of, and/or the building materials permitted to be used at, the **property covered** where the **damage** occurred.

Provided always that such laws or ordinances shall predate the **occurrence** of the loss or **damage** and

(a) The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the **Member** subject to the liability of MUSIC not being thereby increased) must be carried out within 36 months of the date of **damage** or within such further period as MUSIC may allow, otherwise no payment beyond the amount which would have been payable under this Terrorism section if this clause had not been incorporated herein shall be made.

(b) Where any **property covered** suffers **damage** or is destroyed in part only the liability of MUSIC shall not exceed the sum representing the cost, which MUSIC could have been called upon to pay for reinstatement if such **property covered** had been wholly destroyed.

### Seepage and Pollution

This Terrorism section is extended to cover if an **act of terrorism** at **property covered** is the sole, immediate and direct cause of seepage and/or pollution involving discharge of pollutants or contaminants including but not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance. This includes but is not limited to any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment and/or pollution and/or contamination of the **property covered** (including seepage and/or pollution and/or contamination involving **chemical** and/or **biological** and/or **radiological** and/or **nuclear** material) This extension, subject to the **occurrence** insures the resulting **damage** along with the reasonable and necessary expense incurred by the **Member** for clean-up provided:

a) MUSIC agrees to pay for **damage** or, but for the operation of an **excess** or underlying amount would have agreed to pay for the **damage**; and

b) Within one year of the commencement of the **act of terrorism** which caused the **damage**, the **Member** became aware and advised MUSIC the amount of:

i) The resulting **damage** and the reasonable and necessary expense incurred by the **Member** for clean-up; and

ii) Any other interest to be claimed under this extension as a result of the **damage**.

Notwithstanding the foregoing, the cost of resulting **damage** and the reasonable and necessary expense incurred by the **Member** for clean-up shall not be considered in determination of the valuation of the **property covered**.

The maximum liability of MUSIC shall not exceed the sub-**limit of liability** stated in the 'Schedule'.

### 8 Extensions

Notwithstanding the exclusions of this Terrorism section of the Plan Document or the **Property coverage**, cover hereunder is extended to include:

#### Denial of access including public and/or military order

**a) Financial loss** resulting from interruption to the business of the **Member** caused by an **act of terrorism** within a two and a half (2.5) mile radius of the boundary of **property covered** where such **act of terrorism** prevents access to or egress from such **property covered**.

**b) Financial loss** resulting from interruption to the business of the **Member** in consequence of closure, requisition or sealing off of **property covered** or any right of way to such **property covered** by order or action of **public authority** and/or **military authority** caused by an **act of terrorism** within a two and a half (2.5) mile radius of the boundary of the **property covered**.

The maximum indemnity period under this extension is: 30 days

The maximum liability of MUSIC shall not exceed the sub-**limit of liability** stated in the 'Schedule'.

#### Utilities

**Financial loss** resulting from interruption to the **business** of the **Member** caused by **damage** by an **act of terrorism**, to installations and/or equipment, pipes, lines, wires and the like used for the supply of gas, electricity, water, effluent, telecommunications or internet provision services which results in failure of supply or services at the terminal ends of the service feeders or receivers or meters at the premises.

The maximum indemnity period under this extension is: 30 days

The maximum liability of MUSIC shall not exceed the sub-**limit of liability** stated in the 'Schedule'.

#### **Contingent Financial Loss (Direct Customers / Suppliers Contingent Extra Expense)**

Loss resulting from interruption of the **business** of the **Member** caused by **damage** by an **act of terrorism** to property, otherwise excluded by this Terrorism section, that impairs: a) direct supplier(s) of goods and/or services to the **Member** from rendering and/or delivering their goods and/or services, or b) direct customer(s) of goods and/or services of the **Member** from accepting the goods of the **Member** and/or services.

The maximum liability of MUSIC shall not exceed the sub-**limit of liability** stated in the 'Schedule'.

#### **Interdependency**

This Terrorism section shall cover **financial loss** at **property covered**, resulting from **damage** at another **property covered** hereunder.

#### **Threat**

This Terrorism section is extended to include if the **business** of the **Member** is interrupted as the sole and direct result of a threat of an **act of terrorism** during the **period of coverage** which results in:

- a) The evacuation of **property covered** by order of a **public authority** and/ or **military authority** in response to such a threat; or
- b) An evacuation of **property covered** initiated by the **Member** in response to such a threat. MUSIC will only provide this cover if the threat of an **act of terrorism** is:
  - i. Made against the **Member**, and
  - ii. To take place at the evacuated **property covered**; and
  - iii. Reported to a **public authority** and/or **military authority** at the time such threat is made, and
  - iv. Subsequently confirmed in writing by a **public authority** and/or **military authority**; or
- c) An emergency lockdown of **property covered** by order of a **public authority** and/or **military authority** in response to such a threat preventing people from exiting the **property covered**; or
- d) A denial of access to **property covered** by order of a **public authority** and/ or **military authority** in response to such a threat;

MUSIC will pay up to the sub-**limit of liability**, for the **financial loss** sustained by the **Member** during the **period of coverage** resulting solely and directly from the **financial loss** at the **Member property**.

MUSIC will only provide this cover if the evacuation or emergency lockdown of a **property covered** or denial of access to a **property covered** applies for longer than the period stated in the 'Schedule'.

This Terrorism section does not include any loss arising from **damage** caused by an **act of terrorism** or any costs relating thereto.

The maximum indemnity period under this extension is: 14 days

The maximum liability of MUSIC shall not exceed the sub-**limit of liability** stated in the 'Schedule'.

#### **9 Exclusions**

Other than in respect of cover expressly provided herein, in addition to the exclusions of the **Property coverage**, this Terrorism section of the Plan Document does not cover:

### Attraction properties

**Financial loss** in respect of cover provided for under any attraction properties extension or any clause which has the same or substantially the same intent or effect in the **Property coverage** other than to the extent that cover may be expressly provided herein.

### Confiscation

**Damage** or **financial loss** arising from the confiscation, nationalization, expropriation, requisition, detention, seizure, legal or illegal occupation, embargo, quarantine, contraband or illegal transportation or illegal trade or any result of any order of **public authority** or **government/military authority** which deprives the **Member** of the use or value of the **property covered**.

### Excluded property

- a) land or land values, soil, air or water;
- b) aircraft or any other aerial device, or watercraft. However, this exclusion does not apply to spare parts, materials or aircraft engines for installation or repair, but not yet a part of the aircraft or aircraft engines attached to aircraft for the purpose of transit and not connected to any power and/or fuel source;
- c) animals, plants and living things of all types, other than trees and plants which form part of landscaped areas at the premises or as specifically agreed by MUSIC;

### Excluded coverage

- a) **cancellation** and/or **postponement** of an **event** or series of **event(s)**;
- b) liability and/or bodily injury arising from the use of an automobile.
- c) loss as a result of physical, mental or bodily injury to any person;

### Fines and penalties

Any fine or penalty or other assessment which is incurred by the **Member** or which is imposed by any court, government agency, civil or **public authority** or any person.

### Information technology

**Damage** or **financial loss** caused by attacks by electronic means including computer hacking or the introduction of any form of computer virus or corrupting or unauthorized 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 Terrorism section 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.

### Nuclear

**Damage** or **financial loss** 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.

### Pollution, chemical, biological, nuclear and radiological

- a) Damage or financial loss caused by chemical, biological, radiological or nuclear release or exposure of any kind;
- b) Damage or financial loss directly or indirectly arising from or in consequence of the seepage and/or discharge of pollutants or contaminants including but not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release

of which endangers or threatens to endanger the health, safety or welfare of persons or the environment unless otherwise specifically **Member** herein,

but this shall not exclude damage to **Property covered** or financial loss resulting therefrom caused by seepage and/or pollution and/or contamination (including that involving chemical and/or biological and/or radiological and/or nuclear and/or mineral agent release) which itself results from damage to **Property covered** caused by an act of terrorism up to the sub-**limit of liability** stated in the 'Schedule', provided that such damage is derived from pollutants and/or contaminants which are owned by, or in the care, custody or control of the **Member** at the **Property covered** and used by the **Member** for the purpose of business.

#### **Strikes, riots or civil commotions**

**Damage** or financial loss caused by malicious damage, strikes, riots or civil commotion.

#### **Threat**

**Damage** or financial loss as a result of a threat other than to the extent that cover may be expressly covered herein.

#### **Unspecified third parties**

Financial loss in respect of cover provided for under any unspecified third party site or utilities extension or denial of access extension or any clause which has the same or substantially the same intent or effect other than to the extent that cover may be expressly provided herein.

#### **Utilities**

**Damage** or financial loss caused by cessation, fluctuation or variation in or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service unless damage occurs in or within five (5) miles of the **Property covered** other than to the extent that cover may be expressly provided herein.

#### **War**

**Damage** or financial loss occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.

#### **Employer's liability and/or workers' compensation**

From or as a result of bodily injury to an employee or contract worker of the **Member** or arising under any workers' compensation, unemployment compensation or disability laws, statutes, or regulation.

#### **10 Conditions**

All as per the Property coverage except as stated below.

#### **Abandonment**

There shall be no abandonment to MUSIC of any **property covered**.

#### **Automatic reinstatement**

Any clause included in the **Property coverage** relating to the automatic reinstatement of sums **Member** or **limits of liability** does not apply to this Terrorism section unless specifically agreed.

#### **Claims conditions**

a) In the event of any **occurrence** likely to give rise to a **claim** hereunder, the **Member** shall as soon as reasonably practicable notify MUSIC:

- b) In the event of **damage** caused by an **act of terrorism**, the **Member** must deliver to MUSIC all such relevant information and evidence as may reasonably be required including:
- i. full information in writing of the **property covered** that was lost, destroyed or damaged and the amount of the **damage**;
  - ii. details of any other insurances on any **property covered** by **Member** herein;
  - iii. all such proofs and information relating to the **claim** including time, place and cause of loss;
  - iv. if required by MUSIC, a statutory declaration of the truth of the **claim** and of any matters connected to it, which shall be submitted as soon as reasonably practical but in all cases this must be within sixty (60) days of the **occurrence**.
- c) In the event of a **claim** being made under **financial loss** as included under this Terrorism section, the **Member** must deliver to MUSIC:
- i. not later than thirty (30) days after the expiry of the indemnity period or within such further time as MUSIC may allow, particulars of his claim together with details of all other insurances covering property used by the **Member** at the premises for the purpose of the business or any part of it or any resulting **financial loss**.
  - ii. deliver to MUSIC such books of account and other business books, vouchers, invoices, balance sheets, and other documents, proofs, information, explanation and other evidence as may reasonably be required by MUSIC for the purpose of investigating the claim together with, if demanded, a statutory declaration of the truth of the **claim** and of any matters connected with it.
- d) The **Member** must co-operate fully in the investigation or adjustment of any **claim**.

### **Fraud and Misrepresentation**

This Plan Document shall be voidable in the event of fraud or if any fraudulent means or devices are used by the **Member** or anyone acting on their behalf to obtain benefit under this Plan Document, or in the event of deliberate misrepresentation, misdescription or non-disclosure of any material particular relevant to the risk **Member** or any claim hereunder.

The rights of the insurer, in the event of non-fraudulent non-disclosure or innocent or negligent misrepresentation or misdescription of material particulars relevant to the risk **Member** or any claim hereunder by the **Member** are limited to the right to charge an increased premium which could reasonably have been demanded had such non-disclosure, misrepresentation or misdescription not occurred.

### **Inspection and Audit**

MUSIC or its agents shall be permitted but not obligated to inspect the **property covered** at any time.

Neither the right of MUSIC to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **Member** or others, to determine or warrant that such property is safe.

MUSIC may examine and audit the books and records of the **Member** at any time up to two (2) years after the final termination of this Plan Document, as far as they relate to the subject matter of this Plan Document.

### **Other insurance**

This Terrorism section of the Plan Document shall be primary to any other insurance available to the **Member** providing coverage for a loss covered hereunder.

**Proof of loss**

In any claim and/or action, suit or proceeding to enforce a **claim** for loss under this Terrorism section, the burden of proving that the loss is recoverable under this Plan Document and that no limitation or exclusion of this Plan Document applies and the quantum of loss shall fall upon the **Member**.

**Reasonable precautions**

The **Member** shall take all reasonable steps and precautions to prevent loss, destruction or damage.

**Subrogation**

If MUSIC becomes liable for any payment under this Terrorism section in respect of loss or **damage**, they shall become subrogated, to the extent of such payment, to all the rights and remedies of the **Member** against any party in respect of such loss or **damage** and shall be entitled at their own expense to sue in the name of the **Member** to recover for benefit of MUSIC the amount of any payment made under this coverage, in addition to the costs and expenses of MUSIC. The **Member** shall give to MUSIC all such assistance in its power that MUSIC may require to secure said rights and remedies (including attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements and in conducting litigation, **arbitration** or other proceedings) and, at the request of MUSIC, shall enter into such agreements and execute or sign such documents as may be necessary to enable MUSIC to bring suit in the name of the **Member**.

**MUSIC**  
**COVERAGE SUMMARY**

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**Commercial Crime Coverage**

NAMED INSURED: Missouri United School Insurance Council

DOCUMENT PERIOD: 12/31/19-20, 12:01 am

TERRITORY: Worldwide

COVERED PARTIES: MUSIC **Member**

LIMITS OF COVERAGE:  
(Per **Single Loss**)

\$2,000,000	<b>Employee Theft</b>
\$2,000,000	<b>Forgery</b> or Alteration
\$250,000	On <b>Premises</b>
\$250,000	In Transit
\$250,000	Money Order and <b>Counterfeit Money</b>
\$2,000,000	<b>Computer Fraud</b>
\$25,000	<b>Computer Program</b> and <b>Electronic Data</b> Restoration Expense
\$25,000	<b>Funds Transfer Fraud</b>
\$5,000	Claim Expense

DEDUCTIBLE: \$1,000 Each **Single Loss**

CANCELLATION, NON-RENEWAL OR MATERIAL MODIFICATION: As to any **Employee**, coverage shall be immediately canceled upon **Discovery** by the **Member** of any act of **Theft** or fraudulent or dishonest act by the **Employee**.

DOCUMENT FORM: Travelers

## CRIME COVERAGES

Subject to the Coverage Summary and pursuant to all the terms, conditions, exclusions and limitations of this **Crime Coverage**, MUSIC will pay the **Member** for direct loss that the **Member** sustains which is directly caused by a **Single Loss** taking place at any time and which is **Discovered** by the **Member** during the **Coverage Period** or during the Extended Period to **Discover** Loss pursuant to the terms set forth in CONDITIONS A. GENERAL CONDITIONS 3. Extended Period to **Discover** Loss.

### A. Fidelity

MUSIC will pay the **Member** for the **Member's** direct loss of, or direct loss from damage to, **Money**, **Securities**, and **Other Property** directly caused by **Theft** or **Forgery** committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons, or directly caused by the failure of any **Employee** to faithfully perform the **Employee's** duties as prescribed by law.

### B. Forgery or Alteration

MUSIC will:

1. pay the **Member** for the **Member's** direct loss directly caused by **Forgery** or alteration of, on or in any written **Covered Instruments** that are:
  - a. made by, drawn by, or drawn upon, the **Member**, or purport to have been so made or drawn; or
  - b. made or drawn by one acting as the **Member's** agent, or purport to have been so made or drawn; and
2. reimburse the **Member** for reasonable legal defense expenses that the **Member** has paid if the **Member** is sued for refusing to pay any written **Covered Instrument** under this Coverage Agreement B. on the basis that it has been **Forged** or altered. Reimbursement of such legal expenses is conditioned upon the **Member's** receipt of MUSIC's prior written consent to defend against such suit. The amount of any legal expenses reimbursed under Coverage Agreement B. is in addition to the applicable **Single Loss** Limit of Insurance for Coverage Agreement B.

A signature that is a mechanical or electronic reproduction of a handwritten signature produced by a mechanical check-writing machine or a computer printer is treated the same as a handwritten signature. An **Electronic Signature** is not treated the same as a mechanical or electronic reproduction of a handwritten signature and is not a **Forgery** under this Coverage Agreement B.

For purposes of this Coverage Agreement B., the term "check" includes a "substitute check" as defined in the Check Clearing for the 21 Century Act, and will be treated the same as the original it replaced.

### C. On Premises

MUSIC will pay the **Member** for:

1. the **Member's** direct loss of **Money** or **Securities** located inside the **Premises** or **Financial Institution Premises** directly caused by **Theft**, committed by a person present inside such **Premises** or **Financial Institution Premises**;
2. the **Member's** direct loss of **Money** or **Securities** located inside the **Premises** or **Financial Institution Premises** directly caused by disappearance, damage or destruction;
3. the **Member's** direct loss of, or direct loss from damage to, **Other Property** located inside the **Premises**;

- a. directly caused by an actual or attempted **Robbery**; or
  - b. in a safe or vault, directly caused by an actual or attempted **Safe Burglary**; and
4. the **Member's** direct loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Theft, Robbery, or Safe Burglary**, if the **Member** is the owner of the **Premises** or is liable for damage to it; or
5. the **Member's** direct loss of, or loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting directly from an actual or attempted **Theft, Robbery, or Safe Burglary**, if the **Member** is the owner of the locked safe, vault, cash register, cash box or cash drawer or is liable for damage thereto.

#### D. In Transit

1. MUSIC will pay the **Member** for the **Member's** direct loss of **Money** or **Securities** directly caused by **Theft**, disappearance, damage or destruction while in transit outside the **Premises** and in the care and custody of:
- a. a **Messenger**, including while temporarily within the living quarters of a **Messenger**; or
  - b. an armored motor vehicle company.
2. MUSIC will pay the **Member** for the **Member's** direct loss of, or the **Member's** direct loss from damage to, the **Member's Other Property** directly caused by an actual or attempted **Robbery** while in transit outside the **Premises** and in the care and custody of:
- a. a **Messenger**; or
  - b. an armored motor vehicle company.
3. MUSIC will pay the **Member** for the **Member's** direct loss of, or direct loss from damage to, the **Member's Other Property** directly caused by an actual or attempted **Theft** of the **Member's Other Property** while it is temporarily within the living quarters of a **Messenger**.

Coverage under this Coverage Agreement D. begins immediately upon receipt of the **Money, Securities, or Other Property** by the transporting party and ends immediately upon delivery to the designated recipient or its agent.

#### E. Money Orders and Counterfeit Money

MUSIC will pay the **Member** for the **Member's** direct loss directly caused by the **Member's** good faith acceptance of:

- 1. original money orders, issued or purportedly issued by any post office, express company or bank located in the United States of America, its territories and possessions, Canada, or any other country in which the **Member** maintains a physical **Premises**, that are not paid upon presentation; or
- 2. **Counterfeit Money**, of the United States of America, its territories and possessions, Canada, or any other country in which the **Member** maintains a physical **Premises** that is acquired during the regular course of business;

in exchange for merchandise, **Money** or services.

## F. Computer Crime

### 1. Computer Fraud

MUSIC will pay the **Member** for the **Member's** direct loss of, or direct loss from damage to, **Money, Securities, and Other Property** directly caused by **Computer Fraud**.

### 2. Computer Program and Electronic Data Restoration Expense

MUSIC will pay the **Member** for reasonable **Restoration Expense** that the **Member** incurs to restore or replace damaged or destroyed **Computer Programs** or **Electronic Data** stored within the **Member's Computer System** directly caused by a **Computer Violation**.

For purposes of this Coverage Agreement F.2., a **Single Loss** involving **Computer Program** and **Electronic Data Restoration Expense** applies to reasonable **Restoration Expense** incurred by the **Member** between the time the **Member Discovers** the damage or destruction and the time the **Member's Computer Program** or **Electronic Data** is restored to the level of operational capability that existed immediately preceding a **Computer Violation**. Recurrence of the same **Computer Virus** after the **Member's Computer Program** or **Electronic Data** has been restored constitutes a separate **Single Loss**.

Payment of reasonable **Restoration Expense** applies:

- a. only to **Computer Programs** and **Electronic Data** which the **Member** owns or leases, or for which the **Member** is legally liable; and
- b. only if the **Member** is unable to reproduce such **Computer Programs** or **Electronic Data** from back-up data copies.

Payment of reasonable **Restoration Expense** will be made to the **Member** upon the completion of the restoration of the damaged or destroyed **Computer Programs** or **Electronic Data**.

If a **Single Loss** is covered under both Coverage Agreements F.1. and F.2., then only the Retention for a **Single Loss** under Coverage Agreement F.1. will be applicable and the payment of **Restoration Expense** under Coverage Agreement F.2. will be part of, and not in addition to, the **Single Loss** Limit of Insurance for Coverage Agreement F.1.

## G. Funds Transfer Fraud

MUSIC will pay the **Member** for the **Member's** direct loss of, or direct loss from damage to, **Money, Securities, and Other Property** directly caused by **Computer Fraud**.

## H. Claim Expense

MUSIC will pay the **Member** for reasonable **Claim Expenses** incurred and paid by the **Member** to establish the existence, amount and preparation of the **Member's** proof of loss in support of a covered claim for loss under any Coverage Agreement of this **Crime Coverage**.

The following conditions specifically apply to this Coverage Agreement H.:

1. any **Claim Expenses** payable to the **Member** are only applicable to any covered loss which exceeds the **Single Loss** Retention for the Coverage Agreement that is the subject of a claim under this **Crime Coverage**;

2. **Claim Expenses** that are payable to the **Member** are in addition to the **Single Loss** Limit of Insurance for the Coverage Agreement that is the subject of a claim under this **Crime Coverage**; and

3. **Claim Expenses** payable to the **Member** will be paid to the **Member** at the same time as the payment of the valid and collectible loss under the Coverage Agreement that is the subject of a claim under this **Crime Coverage**.

## DEFINITIONS

Wherever appearing in this **Crime Coverage**, the following words and phrases appearing in bold type have the meanings set forth in this Section III. DEFINITIONS:

1. **Change of Control** means:

- a. the acquisition of any **Member**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of any **Member** into or with another entity such that the **Member** is not the surviving entity; or
- b. the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate more than 50% of the board of directors or board of managers or to exercise a majority control of the board of directors, board of managers, or a functional equivalent thereof of any **Member**.

2. **Claim Expenses** means:

Reasonable fees, costs and expenses of outside accountants, attorneys, consultants or experts retained by the **Member** to determine the amount and extent of loss covered under this Crime Coverage. The reasonableness of such expenses will be determined by MUSIC. The phrase does not mean or include any of the **Member's** internal corporate fees, costs (direct or indirect), obligations or **Employee** wages and salaries.

3. **Client** means:

An entity designated as a **Client** by endorsement to this **Crime Coverage** for which the **Member** performs services as specified in a written agreement, but only while the written agreement is in effect.

4. **Client's Premises** means:

The interior of that portion of any building the **Member's Client** occupies in conducting its business.

5. **Computer Fraud** means:

The use of any computer to fraudulently cause a transfer of **Money, Securities, or Other Property** from inside the **Premises** or **Financial Institution Premises**:

- a. to a person (other than a **Messenger**) outside the **Premises** or **Financial Institution Premises**; or
- b. to a place outside the **Premises** or **Financial Institution Premises**.

6. **Computer Program** means:

A set of related electronic instructions that direct the operations and functions of a Computer System or devices connected to it that enable the **Computer System** or devices to receive, process, store, retrieve, send, create or otherwise act upon **Electronic Data**.

7. **Computer System** means:

A computer and all input, output, processing, storage and communication facilities and equipment that are connected to such a device and that the operating system or application software used by the **Member** are under the direct operational control of the **Member**. Off-line media libraries are deemed to be part of such **Computer System**.

8. **Computer Violation** means:

- a. a **Computer Virus** designed to damage or destroy a **Computer Program** or **Electronic Data**; or
- b. vandalism by a natural person, including an **Employee**, who has gained unauthorized electronic access to the **Member's Computer System**.

9. **Computer Virus** means:

A set of unauthorized instructions, programmatic or otherwise:

- a. directed solely against the **Member**; and
- b. that propagate themselves through the **Computer System** or networks; provided such instructions were maliciously introduced by a natural person.

10. **Counterfeit** means:

An imitation of **Money** that is intended to deceive and to be taken as genuine.

11. **Covered Instruments** means:

- a. checks, drafts, promissory notes, bills of exchange or similar written promises, orders or directions to pay a sum certain in **Money**; and
- b. written instruments required in conjunction with any transaction involving any **Credit, Debit, or Charge Card** issued to the **Member**, the **Member's Employees** or the **Member's Management Staff Members** for business purposes.

12. **Covered Personal Instruments** means:

- a. checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in **Money**; and
- b. written instruments required in conjunction with any transaction involving any **Credit, Debit, or Charge Card** issued to a **Management Staff Member** for personal use.

13. **Credit, Debit, or Charge Card** means:

Any card, plate or other similar device used for the purpose of obtaining **Money**, property, labor or services on credit or for immediate payment. The terms do not mean a note, check, draft, money order or other negotiable instrument.

14. **Crime Coverage** means:

Collectively, the Coverage Summary, the application, the Crime Terms and Conditions, and any endorsements attached thereto.

15. **Digital Signature** means:

An electronic identifier created by computer, within, attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

16. **Discover, Discovered, or Discovery** means:

The moment when the **Member**, any partner in the **Member**, or **Management Staff Member**:

- a. first become(s) aware of facts that would cause a reasonable person to assume that a loss of a type covered by this **Crime Coverage** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact details of loss may not then be known; or
- b. first receive(s) notice of a claim against the **Member** alleging facts which, if true, would constitute a loss under this **Crime Coverage**, whichever occurs first.

17. **Electronic Data** means:

Facts or information converted to a form:

- a. usable in a **Computer System**;
- b. that does not provide instructions or directions to a **Computer System**; or
- c. that is stored on electronic processing media for use by a **Computer Program**.

18. **Electronic Signature** means:

A **Digital Signature**, an electronic sound, symbol or process, within, attached to, or logically associated with a record and executed or adopted by a person with the intent to sign the record.

19. **Employee** means:

- a. any natural person:
  - (1) while in the **Member's** service or for 60 days after termination of service, unless such termination is due to **Theft** or **Forgery** or any other dishonest act committed by the **Employee**;
  - (2) who the **Member** compensates directly by salary, wages or commissions; and
  - (3) who the **Member** has the right to direct and control while performing services for the **Member**;
- b. any natural person who is temporarily furnished to the **Member**:
  - (1) to substitute for an **Employee** as set forth in paragraph a. above, who is on medical, military or other leave of absence; or
  - (2) to meet seasonal or short-term workload conditions; while that person is subject to the **Member's** direction and control and performing services for the **Member**; provided, any such

- natural person who has care and custody of property outside the **Premises** is specifically excluded from this definition;
- c. any natural person, other than a temporary **Employee** described in paragraph b. above, who is leased to the **Member** under a written agreement between the **Member** and a labor leasing firm, while that person is subject to the **Member's** direction and control and performing services for the **Member**;
  - d. any natural person:
    - (1) who is a member of the board of directors, member of the board of trustees or **LLC Manager** while acting as a member of any of the **Member's** elected or appointed committees, including any member of such committee, to perform on the **Member's** behalf, specific, as distinguished from general, directorial acts;
    - (2) who is a non-compensated officer;
    - (3) other than a non-compensated fund solicitor, while performing services for the **Member** that are usual to the duties of an **Employee** or officer;
    - (4) while acting as a non-compensated fund solicitor during fund raising campaigns;
    - (5) who is a former **Employee**, member of the board of directors, partner, **LLC Manager**, or member of the board of trustees retained as a consultant while that person is subject to the **Member's** direction and control and performing services for the **Member**;
    - (6) who is a guest student or intern pursuing studies or duties in any of the **Member's** offices or **Premises**; while such person is subject to the **Member's** direction and control and performing services for the **Member**;
    - (7) who is a volunteer, while such person is subject to the **Member's** direction and control and is performing services for the **Member**, or
  - e. any attorney retained by the **Member**, and any employee of such attorney, while performing legal services for the **Member**.

**Employee** also means any individual described in paragraphs a.-e. above while such person is on medical, military, or other leave of absence from the **Member**. Coverage applies to any such **Employee** while on leave, regardless of whether such person remains subject to the **Member's** direction and control during the time of leave.

**Employee** does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character not specified in paragraphs a.-e. above.

20. **Employee Benefit Plan** means:

An employee welfare benefit plan or an employee pension benefit plan as more fully set forth in Title 1, Section 3 of the Employee Retirement Income Security Act of 1974 and any amendments thereto (ERISA) and which is solely sponsored by an **Employee Benefit Plan Sponsor**.

21. **Employee Benefit Plan Sponsor** means:

- a. the **First Named Member**,
- b. any **Subsidiary**, or

- c. any other entity listed in the Coverage Summary.

22. **Fiduciary** means:

Any natural person who is a trustee, an officer, an **Employee** or an administrator of any **Employee Benefit Plan**; and any person, or a member of the board of directors, an officer, an **Officer-Shareholder**, a member of the board of trustees, an **LLC Manager**, or an **Employee** while that person is handling **Money, Securities, and Other Property** that belongs to any **Employee Benefit Plan**.

**Fiduciary** does not mean any agent, broker, independent contractor, broker/dealer, registered representative, investment advisor, custodian or other person or entity of the same general character.

23. **Financial Institution** means:

- a. a bank, trust company, savings bank, credit union, savings and loan association or similar thrift institution; or
- b. a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution.

24. **Financial Institution Premises** means the interior of that portion of any building occupied by a **Financial Institution** (including any night depository chute and any safe maintained by such **Financial Institution**), transfer agent or registrar or similarly recognized place of safe deposit.

25. **First Named Member** means:

The **MUSIC Member**.

26. **Forgery** or **Forged** means:

The signing of the name of another person or organization with a handwritten signature physically affixed directly to a **Covered Instrument** or **Covered Personal Instrument**, without authority and with the intent to deceive; it does not mean a signature that consists in whole or in part of one's own name signed with or without authority in any capacity, for any purpose.

27. **Funds Transfer Fraud** means:

- a. an electronic, telegraphic, cable, teletype or telephone instruction fraudulently transmitted to a **Financial Institution** directing such institution to debit a **Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from the **Transfer Account** which instruction purports to have been transmitted by the **Member**, but was in fact fraudulently transmitted by someone other than the **Member** without the **Member's** knowledge or consent;
- b. a fraudulent written instruction, other than one covered under Coverage Agreement B., issued to a **Financial Institution** directing such **Financial Institution** to debit a **Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from such **Transfer Account** by use of an electronic funds transfer system at specified intervals or under specified conditions, which written instruction purports to have been issued by the **Member** but was in fact fraudulently issued, **Forged** or altered by someone other than the **Member** without the **Member's** knowledge or consent; or
- c. an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by the **Member**, which purports to have been transmitted by an **Employee**, but which was in fact fraudulently transmitted by someone else without the **Member's** or the **Employee's** consent.

28. **Identity Fraud** means:

The act of knowingly transferring or using, without lawful authority, a means of identification of a **Management Staff Member** with the intent to commit, aid, or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable jurisdiction.

29. **Identity Fraud Expense** means:

- a. costs for notarizing fraud affidavits or similar documents for credit agencies, **Financial Institutions**, merchants or other credit grantors that have required that such affidavits be notarized;
- b. costs for certified mail to law enforcement agencies, credit agencies, **Financial Institutions**, merchants or other credit grantors;
- c. costs for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;
- d. lost wages, up to a maximum payment of \$1,000. per week for a maximum period of five (5) weeks, as a result of absence from employment:
  - (1) to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;
  - (2) to complete fraud affidavits or similar documents; or
  - (3) due to wrongful incarceration arising solely from someone having committed a crime in the **Management Staff Member's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;
- e. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
- f. reasonable attorney fees incurred, with MUSIC's prior written consent, for:
  - (1) defense of lawsuits brought against the **Member's Management Staff Member** by financial institutions, merchants, other credit grantors or their collection agencies;
  - (2) the removal of any criminal or civil judgments wrongly entered against the **Member's Management Staff Member**; or
  - (3) challenging the accuracy or completeness of any information in a consumer credit report; and
- g. costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Coverage Period**.

**Identity Fraud Expense** does not include any expense or loss not listed in paragraphs a.-g. Of this Definition 29.

30. **Member** means:

- a. for the purposes of all Coverage Agreements:
  - (1) the **First Named Member**,
  - (2) any **Sponsored Plan**, or

(3) any other entity listed and on file with MUSIC.

31. **LLC Manager** means:

Any natural person who was, is or becomes a manager, member of the board of managers, or a functionally equivalent executive of a limited liability company.

32. **LLC Member** means:

Any natural person who has an ownership interest in a limited liability company.

33. **Management Staff Member** means:

The **Member's** proprietor, natural person partner, member of the board of directors, member of the board of trustees, officer, risk manager, in-house general counsel, **LLC Manager**, or **LLC Member**.

34. **Messenger** means:

Any **Management Staff Member**, or relative thereof, any **Officer-Shareholder**, or any **Employee**, duly authorized, while having care and custody of covered property outside the **Premises**.

35. **Money** means:

A medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, bank notes, bullion, travelers' checks, registered checks and money orders held for sale to the public.

36. **Officer-Shareholder** means:

Any officer who has a 25% or greater ownership interest in any one or more **Members**.

37. **Other Property** means:

Any tangible property other than **Money** and **Securities** that has intrinsic value.

38. **Coverage Period** means:

The period from the Inception Date to the Expiration Date set forth in the **Crime Coverage** Summary. In no event will the **Coverage Period** continue past the effective date of cancellation or termination of this **Crime Coverage**.

39. **Premises** means:

The interior of that portion of any building the **Member** occupies in conducting the **Member's** business.

40. **Restoration Expense** means:

Reasonable costs incurred by the **Member** to reproduce **Computer Programs** or **Electronic Data** and enable the **Member** to restore the **Member's Computer System** to the level of operational capability that existed immediately preceding a **Computer Violation**. **Restoration Expense** does not include:

- a. the **Member's** internal corporate costs and expenses, including **Employee** remuneration and any costs related to any legal action;

- b. expenses incurred as a result of the reconstruction of **Computer Programs** and **Electronic Data** recorded on media, including magnetic or optical media if there are no analyses files, specifications or backups of **Computer Programs** or **Electronic Data** held outside the **Premises**;
- c. expenses incurred as a result of the reconstruction of **Computer Programs** and **Electronic Data** if the **Member** knowingly used illegal copies of programs;
- d. expenses incurred to render the **Computer Programs** and **Electronic Data** usable by replacement processing equipment;
- e. expenses incurred to design, update or improve **Computer Programs** or **Electronic Data** or to perfect their operation or performance;
- f. expenses incurred as a result of alteration in **Computer Programs** and **Electronic Data** held on magnetic media due to the effect of magnetic fields, incorrect usage of the **Computer Programs** and **Electronic Data**, or the obsolescence of the **Computer System**;
- g. the **Member's** lost revenue, sales or profits; or
- h. expenses incurred by any customer.

41. **Robbery** means:

The unlawful taking of **Money**, **Securities**, and **Other Property** from the care and custody of the **Member**, the **Member's** partners or any other person (except any person acting as a watchperson or janitor) by one who has:

- a. caused or threatened to cause that person bodily harm; or
- b. committed an unlawful act witnessed by that person.

42. **Safe Burglary** means:

The unlawful taking of:

- a. **Money**, **Securities**, and **Other Property** from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
- b. a safe or vault from inside the **Premises**.

43. **Securities** means:

Written negotiable and non-negotiable instruments or contracts representing **Money** or property including:

- a. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. evidences of debt issued in connection with any **Credit**, **Debit**, or **Charge Card**, which cards are not issued by the **Member**; but does not include **Money**.

44. **Single Loss** means:

- a. for purposes of Coverage Agreement A.:

- (1) an individual act;
  - (2) the combined total of all separate acts; or
  - (3) a series of related acts; committed by an **Employee** or committed by more than one **Employee** acting alone or in collusion with other persons both during and before the **Coverage Period**;
- b. for purposes of Coverage Agreements B., all loss caused by any person, or loss in which that person is involved, whether the loss involves one or more written **Covered Instruments** or **Covered Personal Instruments**; and
  - c. for purposes of all other Coverage Agreements:
    - (1) any act or series of related acts or events involving one or more persons; or
    - (2) any act, acts or events involving a person or group of persons acting together; whether identified or not, both during and before the **Coverage Period**.

45. **Sponsored Plan** means:

Any **Employee Benefit Plan** or employee pension benefit plan solely sponsored by any **Member** that is not subject to the terms of ERISA.

46. **Subsidiary** means:

- a. any corporation, partnership, limited liability company or other entity, organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in the **Crime Coverage Summary**, the **Member** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint, or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent; or
- b. subject to the provisions set forth in Section II. GENERAL AGREEMENTS D. ACQUISITIONS, of the Crime Terms and Conditions, any entity that the **Member** acquires or forms during the **Coverage Period** in which the **Member** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent.

**Subsidiary** does not include any entity in which any **Member** is engaged as a participant in any type of joint venture unless such entity is specifically scheduled as an additional **Member** by endorsement to this **Crime Coverage**.

47. **Theft** means:

- a. under Coverage Agreements C. or D., the intentional unlawful taking of **Money** and **Securities** to the **Member's** deprivation.
- b. under all other Coverage Agreements, the intentional unlawful taking of **Money**, **Securities**, and **Other Property** to the **Member's** deprivation.

48. **Transfer Account** means:

An account maintained by the **Member** at a **Financial Institution** from which the **Member** can initiate the transfer, payment or delivery of **Money** or **Securities**:

- a. by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly or through an electronic funds transfer system; or
- b. by means of written instructions (other than those described in Coverage Agreements B. and H.1.) establishing the conditions under which such transfers are to be initiated by such Financial Institution through an electronic funds transfer system.

## EXCLUSIONS

A. This **Crime Coverage** will not apply to loss resulting directly or indirectly from war, whether or not declared; civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalization; or any act or condition related to any of the foregoing.

B. This **Crime Coverage** will not apply to loss resulting directly or indirectly from seizure or destruction of property by order of governmental authority.

C. This **Crime Coverage** will not apply to loss resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by the **Member**, the **Member's** natural person partners, any **LLC Member** or **Officer-Shareholder**, whether acting alone or in collusion with others.

D. This **Crime Coverage** will not apply to loss resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by any **Employee** or **Fiduciary** whether acting alone or in collusion with others, unless covered under Coverage Agreements A. or F.2.

E. This **Crime Coverage** will not apply to loss resulting directly or indirectly from any **Funds Transfer Fraud**, unless covered under Coverage Agreements A. or G.

F. This **Crime Coverage** will not apply to loss resulting directly or indirectly from the **Member's** acceptance of money orders or **Counterfeit Money**, unless covered under Coverage Agreements A. or E..

G. This **Crime Coverage** will not apply to loss or damages resulting directly or indirectly from the input of **Electronic Data** by a natural person having the authority to enter the **Member's Computer System**, unless covered under Coverage Agreements A., F.2. or G.

H. This **Crime Coverage** will not apply to loss resulting directly or indirectly from **Forged**, altered or fraudulent documents or written instruments used as source documentation in the preparation of **Electronic Data**, unless covered under Coverage Agreements A.

I. This **Crime Coverage** will not apply to any expenses incurred by the **Member** in establishing the existence or the amount of any loss covered under this **Crime Coverage**, unless covered under Coverage Agreement H.

J. This **Crime Coverage** will not apply to loss of income, whether or not earned or accrued, or potential income, including interest and dividends, not realized by the **Member** as the result of any loss covered under this **Crime Coverage**.

K. This **Crime Coverage** will not apply to damages of any type, except the **Member's** direct compensatory damages resulting from a loss covered under this **Crime Coverage**.

L. This **Crime Coverage** will not apply to indirect or consequential loss of any nature, including fines, penalties, multiple or punitive damages.

M. This **Crime Coverage** will not apply to loss resulting directly or indirectly from any **Theft**, disappearance, damage, destruction or disclosure of any intangible property or confidential information including:

1. trade secret information, confidential processing methods or other confidential information or intellectual property of any kind, or **Electronic Data** unless otherwise covered under Coverage Agreement F.2.; or

2. **Computer Programs.**

N. This **Crime Coverage** will not apply to loss of, or damage to, manuscripts, records, accounts, microfilm, tapes or other records, whether written or electronic, or the cost of reproducing any information contained in such lost or damaged records, except when covered under Coverage Agreements C., D., or F.2..

O. This **Crime Coverage** will not apply to loss, or that part of any loss, the proof of which as to its existence or amount is dependent solely upon:

1. an inventory computation or physical count; or

2. a profit and loss computation; provided that where the **Member** establishes wholly apart from such computations or physical count that the **Member** has sustained a loss covered under Coverage Agreements A. or F.1., then the **Member** may offer the **Member's** inventory records and an actual physical count of inventory in support of other evidence as to the amount of loss claimed.

P. This **Crime Coverage** will not apply to loss resulting directly or indirectly from trading whether or not in the name of the Member or whether or not in a genuine or fictitious account, unless covered under Coverage Agreement A..

Q. This **Crime Coverage** will not apply to loss resulting directly or indirectly from fire, except:

1. loss of or damage to **Money** or **Securities**; or

2. damage to any safe or vault caused by the application of fire thereto in connection with any actual or attempted **Safe Burglary** when covered under Coverage Agreement C..

R. This **Crime Coverage** will not apply to loss resulting directly or indirectly from the giving or surrendering of **Money**, **Securities**, or **Other Property** in any exchange or purchase, whether or not fraudulent, with any other party not in collusion with an **Employee**, except when covered under Coverage Agreement E.

S. This **Crime Coverage** will not apply to loss of **Money**, **Securities**, or **Other Property** while in the custody of any **Financial Institution**, trust company, or similarly recognized place of safe deposit or armored motor vehicle company unless the loss is in excess of the amount recovered or received by the **Member** under the **Member's** contract, if any, with, or insurance carried by, any of the aforementioned.

T. This **Crime Coverage** will not apply to loss of **Money**, **Securities**, or **Other Property** held by an armored motor vehicle company for the **Member**, and which is stored by such company overnight inside buildings used in the conduct of its business.

U. This **Crime Coverage** will not apply to loss resulting directly or indirectly from nuclear reaction, nuclear radiation, radioactive contamination, biological or chemical contamination or to any related act or incident.

V. This **Crime Coverage** will not apply to loss of **Money**, **Securities**, or **Other Property** resulting directly or indirectly from kidnap, extortion or ransom payments (other than **Robbery**) surrendered to any person as a result of a threat.

W. This **Crime Coverage** will not apply to loss resulting directly or indirectly from **Forgery** or alteration, except when covered under Coverage Agreements A. or B.

X. This **Crime Coverage** will not apply to loss resulting directly or indirectly from **Computer Fraud**, except when covered under Coverage Agreements A. or F.1.

Y. This **Crime Coverage** will not apply to loss under Coverage Agreements C. or D. resulting directly or indirectly from:

1. an accounting or arithmetical error or omission;
2. the loss of property from within any money operated device, unless the amount of **Money** deposited in it is recorded by a continuous recording device;
3. anyone, acting on the **Member's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property;
4. damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them; or
5. damage to the **Premises** or its exterior or to containers of covered property by vandalism or malicious mischief.

Z. This **Crime Coverage** will not apply to loss resulting directly or indirectly from the diminution in value of **Money, Securities, or Other Property**.

AA. This **Crime Coverage** will not apply to loss arising from any **Credit, Debit, or Charge Card** if the **Member**, the **Member's Employee** or **Management Staff Member** has not fully complied with the provisions, conditions or other terms under which any card was issued.

BB. This **Crime Coverage** will not apply to loss sustained by any **Subsidiary** or related **Employee Benefit Plan** or **Sponsored Plan**, occurring at any time during which such entity was not a **Subsidiary** or related **Employee Benefit Plan** or **Sponsored Plan**.

CC. This **Crime Coverage** will not apply to loss sustained by the **Member** or any **Subsidiary** to the extent it results in a benefit, gain or transfer to the **Member** or any **Subsidiary**.

## CONDITIONS

### A. GENERAL CONDITIONS

#### 1. Territory Covered

Except as indicated in the **Crime Coverage** Summary,

- a. MUSIC will cover loss the **Member** sustains anywhere in the world, and
- b. MUSIC will cover all of the **Member's** offices and **Premises**, including any additional offices or **Premises** pursuant to Sections II. GENERAL AGREEMENTS B. ADDITIONAL OFFICES, C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS, and D. ACQUISITIONS in this **Crime Coverage**.

## 2. Cooperation

The **Member** must cooperate with MUSIC in all matters pertaining to this **Crime Coverage** as stated in its terms, conditions and limitations.

## 3. Extended Period to **Discover** Loss

MUSIC will pay the **Member** for loss that the **Member** sustained prior to the effective date of cancellation or termination of this **Crime Coverage**, which is **Discovered** by the **Member**:

- a. no later than 90 days from the date of cancellation or termination; and
- b. as respects any **Employee Benefit Plan**, no later than one (1) year from the date of cancellation or termination. Notwithstanding the above, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance obtained by the **Member** replacing in whole or in part the insurance afforded by this **Crime Coverage**, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

## 4. Other Insurance

This **Crime Coverage** applies only as excess insurance over, and will not contribute with: (1) any other valid and collectible insurance available to any **Member** unless such insurance is written specifically excess of this **Crime Coverage** by reference in such other policy to the Policy Number of this **Crime Coverage**; and (2) indemnification to which any **Member** is entitled from any other entity other than any **Member**. As excess insurance, this **Crime Coverage** will not apply or contribute to the payment of any loss to the **Member** until the amount of such other insurance or indemnity has been exhausted by loss covered thereunder. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this **Crime Coverage** will apply to that part of the loss not recoverable or recovered under the other insurance or indemnity. This **Crime Coverage** will not be subject to the terms of any other insurance.

Any loss that is applicable to this Condition A.4. is subject to both the applicable **Single Loss** Limit of Insurance and applicable **Single Loss** Retention shown in the **Crime Coverage** Summary.

If this **Crime Coverage** replaces prior insurance that provided the **Member** with an extended period of time after the termination or cancellation of such prior insurance in which to **Discover** loss, then, and only with respect to loss **Discovered** during such extended period but sustained prior to the termination of such prior insurance, the coverage afforded by this **Crime Coverage** applies as follows:

- a. MUSIC will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior insurance; provided, that in such case, MUSIC will pay the **Member** for the excess of such loss subject to the terms and conditions of this **Crime Coverage**; and
- b. any payment MUSIC makes to the **Member** for such excess loss will not be greater than the difference between the limit of insurance of the **Member's** prior insurance and the applicable **Single Loss** Limit of Insurance of this **Crime Coverage**. MUSIC will not apply the applicable **Single Loss** Retention to such excess loss.

## 5. Ownership of Property; Interests Covered

- a. The property covered under this **Crime Coverage** is limited to property:
  - i. that the **Member** owns or leases;

- ii. that the **Member** holds for others:
  - (a) on the **Member's Premises** or the **Member's Financial Institution Premises**; or
  - (b) while in transit and in the care and custody of a **Messenger**; or
- iii. for which the **Member** is legally liable, except for property located inside the **Member's Client's Premises** or the **Member's Client's Financial Institution Premises**.

Notwithstanding the above, this **Crime Coverage** is for the **Member's** benefit only and provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this **Crime Coverage** must be presented by the **Member**.

#### 6. Representation, Concealment, Misrepresentation or Fraud

No statement made by the **Member**, whether contained in the application, underwriting information or otherwise, is deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.

This **Crime Coverage** is void in any case of fraud by the **Member** as it relates to this **Crime Coverage** at any time. This **Crime Coverage** is also void if the **Member**, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. this **Crime Coverage**;
- b. the **Money, Securities, or Other Property**;
- c. the **Member's** interest in the **Money, Securities, or Other Property**; or
- d. a claim under this **Crime Coverage**.

#### 7. Premiums

The **First Named Member** is responsible for the payment of all premiums and will be the payee for any return premiums MUSIC pays.

#### 8. Transfer of Rights and Duties Under this **Crime Coverage**

Rights and duties under this **Crime Coverage** may not be transferred without MUSIC's written consent except in the case of the death of a natural person **Member**. If such person dies, then the decedent's rights and duties will be transferred to the decedent's legal representative, but only while acting within the scope of duties as the decedent's legal representative. Until a legal representative is appointed, anyone having proper temporary custody of the decedent's property will have all rights and duties but only with respect to that property.

### B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT

#### 1. Limit of Insurance

##### a. **Single Loss** Limit of Insurance

The maximum **Single Loss** Limit of Insurance for each Coverage Agreement will not exceed the applicable amount set forth in the **Crime Coverage** Summary for such Coverage Agreement.

##### b. Special Limit of Insurance for Specified Other Property

MUSIC's liability for loss under Coverage Agreements C. and D. is limited as follows

- i. the lesser of \$25,000. or the amount shown as the **Single Loss** Limit of Insurance for any **Single Loss** involving precious metals, precious or semi-precious stones, pearls, furs, or completed articles made of or containing such enumerated materials that constitute more than half the value of such articles;
- ii. the lesser of \$25,000. or the amount shown as the **Single Loss** Limit of Insurance for any **Single Loss**, including damage to manuscripts, drawings or records of any kind, or the cost of reconstructing them or reproducing any information contained in them;

The Special Limit of Insurance for Specified Other Property is part of, and not in addition to, any applicable limit of liability.

### c. Loss Covered Under More Than One Coverage Agreement of this **Crime Coverage**

Subject to any applicable **Crime Coverage** Aggregate Limit of Insurance, if any **Single Loss** is comprised of loss covered under more than one Coverage Agreement, the most MUSIC will pay the **Member** for such **Single Loss** is the lesser of:

- i. the actual amount of such **Single Loss**; or
- ii. the sum of the **Single Loss** Limits of Insurance applicable to such Coverage Agreements applying to such loss.

## 2. **Single Loss** Retention

MUSIC will not pay the **Member** for any **Single Loss** unless the amount of such **Single Loss** exceeds the **Single Loss** Retention shown in the **Crime Coverage** Summary. MUSIC will pay the **Member** the amount of any **Single Loss** in excess of the **Single Loss** Retention, up to the **Single Loss** Limit of Insurance for the applicable Coverage Agreement.

If more than one **Single Loss** Retention applies to the same **Single Loss**, then only the highest **Single Loss** Retention will be applied.

No **Single Loss** Retention applies to any legal expenses paid to the **Member** solely under Coverage Agreement B.

## 3. The **Member's** Duties in the Event of a Loss

After the **Member Discovers** a loss or a situation that may result in loss of or loss from damage to **Money, Securities, or Other Property** that exceeds 25% of the **Single Loss** Retention, the **Member** must:

- a. notify MUSIC as soon as possible;
- b. notify law enforcement authorities if the **Member** has reason to believe that any loss, except for loss covered under Coverage Agreements A. or F.2., involves a violation of law;
- c. submit to examination under oath at MUSIC's request and give MUSIC a signed statement of the **Member's** answers;
- d. give MUSIC a detailed, sworn proof of loss within 120 days; and
- e. cooperate with MUSIC in the investigation and settlement of any claim. Proof of loss under Coverage Agreement B. and H.1. must include: (1) an affidavit of **Forgery** setting forth the

amount and cause of loss; and (2) the original written **Covered Instruments** or **Covered Personal Instruments** or a copy of such written instruments.

#### 4. Valuation / Settlement

Subject to the applicable limit of insurance provision (Section V. CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. Limit of Insurance) MUSIC will pay the **Member** for:

a. loss of **Money** but only up to and including its face value, and, at MUSIC's option, pay for loss of **Money** issued by any country other than the United States of America:

- i. at face value in the **Money** issued by that country; or
- ii. in the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**;

b. loss of **Securities** but only up to and including their value at the close of business on the day the loss was **Discovered**, and at MUSIC's option:

- i. pay the **Member** the value of such **Securities** or replace them in kind, in which event the **Member** must assign to MUSIC all the **Member's** rights, title and interest in those **Securities**; or
- ii. pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **Securities**; provided, MUSIC will be liable only for the cost of the Lost Securities Bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the **Securities** at the close of business on the day the loss was **Discovered**;

c. loss of, or loss from damage to, **Other Property** or **Premises** including its exterior for the replacement cost without deduction for depreciation; provided, MUSIC will pay the **Member** the lesser of the following:

- i. the applicable **Single Loss** Limit of Insurance;
- ii. the cost to replace **Other Property** or **Premises** including its exterior with property of comparable material and quality, and used for the same purpose; or
- iii. the amount the **Member** actually spends that is necessary to repair or replace such property;

provided, MUSIC will, at its option, pay the **Member** for loss of, or loss from damage to, **Other Property** or **Premises** including its exterior, in the **Money** of the country in which the loss occurred, or in the United States of America dollar equivalent of the **Money** of the country in which the loss occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**.

MUSIC will not pay the **Member** on a replacement cost basis for any loss or damage until such property is actually repaired or replaced, and unless the repairs or replacement are made as soon as reasonably possible after the loss or damage. If the lost or damaged property is not repaired or replaced, MUSIC will pay the **Member** actual cash value on the day the loss was **Discovered**.

Any property that MUSIC pays the **Member** for or replaces becomes MUSIC's property.

#### 5. Records

The **Member** must keep records of all **Money, Securities, and Other Property** under this **Crime Coverage** so MUSIC can verify the amount of any loss.

#### 6. Recoveries

- a. All recoveries for payments made under this **Crime Coverage** should be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:
- i. first, to the **Member** to reimburse the **Member** for loss sustained that would have been paid under this **Crime Coverage** but for the fact that it is in excess of the applicable **Single Loss Limit(s)** of Insurance;
  - ii. second, to MUSIC in satisfaction of amounts paid or to be paid to the **Member** in settlement of the **Member's** covered claim;
  - iii. third, to the **Member** in satisfaction of any **Single Loss Retention**; and
  - iv. fourth, to the **Member** in satisfaction of any loss not covered under this **Crime Coverage**.
- b. The value of all property received by the **Member** from any source whatever and whenever received, in connection with any matter from which a loss has arisen, will be valued as of the date received and will be deducted from the covered loss.
- c. Recoveries do not include any recovery:
- i. from insurance, suretyship, reinsurance, security or indemnity taken for MUSIC's benefit; or
  - ii. of original **Securities** after duplicates of them have been issued.

#### 7. Transfer of the **Member's** Rights of Recovery Against Others to MUSIC

The **Member** must transfer to MUSIC all the **Member's** rights of recovery against any person or organization for any loss the **Member** sustained and for which MUSIC has paid or settled. The **Member** must also do everything necessary to secure those rights and do nothing after loss to impair them.

#### 8. Legal Action Against MUSIC

The **Member** may not bring any legal action against MUSIC involving loss:

- a. unless the **Member** has complied with all the terms of this **Crime Coverage**;
- b. until 90 days after the **Member** has filed proof of loss with MUSIC; and
- c. unless brought within two (2) years from the date the **Member Discovers** the loss.

If any limitation in this Condition B.8. is deemed to be inconsistent with applicable law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

#### 9. Liberalization

If MUSIC adopts any revision to the Crime Terms and Conditions of this **Crime Coverage** that would broaden coverage and such revision does not require an additional premium or endorsement and the revision is adopted within 45 days prior to or during the **Coverage Period**, the broadened coverage

will apply to this **Crime Coverage** as of the date the revision is approved for general use by the applicable department of insurance.

#### 10. Indemnification

MUSIC will indemnify any of the **Member's** officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any **Employee** under the supervision of that official to faithfully perform such **Employee's** duties as prescribed by law, when such failure directly causes direct loss of, or direct loss from damage to, the **Member's Money, Securities, and Other Property**, subject to the applicable Limit of Coverage. The provisions of this Condition apply to Coverage Agreement A only.

### C. CANCELLATION OR TERMINATION

#### 1. The **Member** may cancel:

- a. this **Crime Coverage** in its entirety;
- b. an Coverage Agreement; or
- c. coverage for any **Member**;

by mailing or delivering to MUSIC advance written notice of cancellation.

#### 2. MUSIC may cancel:

- a. this **Crime Coverage** in its entirety;
- b. an Coverage Agreement; or
- c. coverage for any **Member**;

by mailing or delivering to the **First Named Member** written notice of cancellation at least 20 days before the effective date of cancellation if MUSIC cancels for nonpayment of premium; or 60 days before the effective date of cancellation if MUSIC cancels for any other reason.

MUSIC will mail or deliver MUSIC's notice to the **First Named Member's** last mailing address known to MUSIC. Notice of cancellation will state the effective date of cancellation and the **Coverage Period** will end on that date. If this **Crime Coverage** or any Coverage Agreement is cancelled, MUSIC will send the **First Named Member** any premium refund due. If MUSIC cancels this **Crime Coverage**, the refund will be pro rata. If the **Member** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. The cancellation will be effective even if MUSIC has not made or offered a refund. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### 3. This **Crime Coverage** terminates:

- a. in its entirety immediately upon the expiration of the **Coverage Period**;
- b. in its entirety immediately upon the voluntary liquidation or dissolution of the **First Named Member**; or
- c. as to any **Subsidiary** immediately upon the **Change of Control** of such **Subsidiary**.

#### 4. This **Crime Coverage** terminates as to any **Employee**:

a. as soon as the **Member's** partner, any of the **Member's Management Staff Members** or any **Employee** with managerial or supervisory responsibility not in collusion with the **Employee** becomes aware of any employment related act committed by the **Employee** that would constitute a loss under the terms of this **Crime Coverage**, involving **Money, Securities, or Other Property** in an amount in excess of \$10,000; or

b. 60 days after the **Member's** partner, any of the **Member's Management Staff Members** or any **Employee** with managerial or supervisory responsibility not in collusion with the **Employee** becomes aware of any dishonest or fraudulent non-employment related act; either of which acts were committed by such **Employee** in the **Member's** service, during the term of employment by the **Member** or prior to employment by the **Member**, provided such dishonest or fraudulent non-employment related act involved **Money, Securities, or Other Property** is in an amount in excess of \$10,000.

### TREASURER'S BOND

**Limit** - \$50,000 per **Occurrence**

**Coverage** - Covers the Fidelity and Faithful Performance of the **Member** Treasurer

**Deductible** - None

The **Member** Treasurer and their heirs, executors, administrators, and assigns, and the Western Surety Company and their successors and assigns, jointly and severally, are held and firmly bound to the applicable **Member** in the sum of \$50,000. This coverage guarantees that the Treasurer shall faithfully perform such duties as may be imposed upon them by law and shall honestly account for all **Money** that may come into their hands in their official capacity. This coverage does not apply if coverage is otherwise available under the **Crime Coverage** part.

The insurance company shall not be liable for any loss of public **Money** deposited by or on behalf of the Treasurer with any bank when such loss is occasioned by the failure of such bank to faithfully account for or pay over such **Money** on legal demand.

**MUSIC**  
**COVERAGE SUMMARY**

**Equipment Breakdown Coverage**

NAMED INSURED: Missouri United School Insurance Council

DOCUMENT PERIOD: 12/31/19-20, 12:01 am

LOCATIONS COVERED: Per MUSIC **Member** Schedule

PARTIES: MUSIC **Member**

LIMITS OF COVERAGE: \$100,000,000 Equipment Breakdown Limit Per **Accident** which includes:  
**Property Damage**  
**Business Income**  
**Extra Expense**  
**Service Interruption**  
**Perishable Goods**  
 Expediting Expense  
 Newly Acquired Locations  
 Builder's Risk – Testing & Startup

SUBLIMITS: \$2,500,000 **Off Premises Property Damage**  
 \$2,500,000 Contingent **Business Income**  
 \$2,500,000 **Data** Restoration  
 \$2,500,000 Demolition  
 \$2,500,000 Ordinance or Law  
 \$2,500,000 **Hazardous Substance**  
 \$1,000,000 Miscellaneous Unnamed Locations  
 \$25,000 Green  
 \$25,000 Mold

DEDUCTIBLE: \$1,000 Each **Occurrence**- Direct Damage  
 Except \$25 Per HP \$1,000 minimum, on A/C and Refrigeration  
 Systems  
 24 Hours **Interruption of Service** Waiting Period

CANCELLATION, NON-RENEWAL OR MATERIAL MODIFICATION: 90 Days Written Notice  
 10 Days for Non-Payment of Premium

DOCUMENT FORM: Hartford Steam Boiler

## A. COVERAGE

This Equipment Breakdown Coverage provides coverage for a Covered Cause of Loss as defined in A.1. below. In the event of a covered Cause of Loss, coverage provided for loss as described in A.2. below.

### 1. Covered Cause of Loss- Accident

The Covered Cause of Loss for this equipment Breakdown Coverage is an **Accident**. Without an **Accident**, there is no Equipment Breakdown Coverage.

- a. **Accident** means a fortuitous event that causes direct physical damage to **Covered Equipment**. The event must be one of the following:

1. Mechanical Breakdown, including rupture or bursting caused by centrifugal force;
2. Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires;
3. Explosion, other than combustion or explosion, of steam boilers, steam piping, steam engines, or steam turbines;
4. An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;
5. An event inside hot water boilers or other water heating equipment that damages such equipment; or
6. Bursting, cracking or splitting.

**Accident** does not include any condition or event listed in Definition G.1.b. (page 44)

- b. **Covered Equipment** means the following:

1. Unless specified otherwise in the Coverage Summary:
  - (A) Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
  - (B) Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
2. Except as specifically provided for under **Off Premises Property Damage, Service Interruption**, Contingent **Business Income**, paragraph (2) of **Perishable Goods** and Civil Authority, such equipment must be at a location listed on the **Member** Statement of Values and must be owned or leased by you or operated under your control.

### 2. Coverages Provided

This section lists the coverages that may apply in the event of an **Accident**. Each coverage is subject to a specific limit as shown in the Coverage Summary. See paragraph C.2.

These coverages apply only to the direct result of an **Accident**. For each coverage, MUSIC will pay only for that portion of the loss, damage or expense that is solely attributable to the **Accident**.

**a. Property Damage**

Physical damage to **Covered Property** that is at a location owned, leased or operated under your control at the time of the **Accident**.

**b. Off Premises Property Damage**

If you have transportable **Covered Equipment** that, at the time of the **Accident**, is within the **Coverage Territory**, but is not:

1. At a location indicated on your Statement of Values; or
2. At any other location owned or leased by you, coverage provided for physical damage to such **Covered Equipment**.

**c. Business Income**

1. Actual loss of **Business Income** during the **Period of Restoration** that results directly from the necessary total or partial interruption of your business.
2. Any necessary expenses you incur during the **Period of Restoration** to reduce the amount of loss under this coverage. Such expenses are covered to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
3. Consideration for the actual experience of your business before the **Accident** and the probable experience you would have had without the **Accident** in determining the amount payable to you.

**d. Extra Expense**

Reasonable and necessary **Extra Expense** to operate your business during the **Period of Restoration**.

**e. Service Interruption**

Loss and expense as defined under **Business Income** coverage and **Extra Expense** coverage that is the result of an **Interruption of Service**.

**f. Contingent Business Income**

We will pay for your loss and expense as defined under **Business Income** and **Extra Expense** coverages that:

1. Results from an **Interruption of Supply**; or
2. Results from an **Accident** at an **Anchor Location**.

**g. Perishable Goods**

1. Physical damage to **Perishable Goods** due to **Spoilage**.
2. Physical damage to **Perishable Goods** due to **Spoilage** that is the result of an **Interruption of Service**.
3. Physical damage to **Perishable Goods** due to contamination from the release of refrigerant, including but not limited to ammonia.
4. Any necessary expenses you incur during the **Period of Restoration** to reduce the amount of loss under this coverage. Coverage for such expense is provided to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

**h. Data Restoration**

1. Reasonable and necessary cost to research, replace or restore lost **Data**.
2. Loss and expense as defined under **Business Income** coverage and **Extra Expense** coverage that is the result of h.(1) above, if such coverage is otherwise applicable under this Plan Document. This coverage is included within and subject to your **Data** Restoration Limit.

**i. Demolition**

1. This coverage applies if an **Accident** damages a building that is **Covered Property** and the loss is increased by an ordinance or law that:
  - (A) Requires the demolition of a building that is otherwise reparable;
  - (B) Is in force at the time of the **Accident**; and
  - (C) Is not addressed under **Hazardous Substances** coverage or Mold coverage.
2. The following additional costs to comply with such ordinance or law:
  - (A) Your actual and necessary cost to demolish and clear the site of the undamaged parts of the building; and
  - (B) Your actual and necessary cost to reconstruct the undamaged parts of the building.
3. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the **Accident**.
4. Loss and expense as defined under **Business Income** coverage and **Extra Expense** coverage that is the result of i.(1) above, if such coverage is otherwise applicable under this Plan Document. This coverage is included within and subject to your Demolition limit.

**j. Ordinance or Law**

1. This coverage applies if an **Accident** damages a building that is **Covered Property** and the loss is increased by an ordinance or law that:
  - (A) Regulates the construction or repair of buildings, including **Building Utilities**;
  - (B) Is in force at the time of the **Accident**; and
  - (C) Is not addressed under Demolition coverage, **Hazardous Substances** coverage or Mold coverage.
2. Coverage is also provided for the following additional costs to comply with such ordinance or law:
  - (A) Your actual and necessary cost to repair the damaged portions of the building;
  - (B) Your actual and necessary cost to reconstruct the damaged portions of the building; and
  - (C) Your actual and necessary cost to bring undamaged portions of the building into compliance with the ordinance or law.

3. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the **Accident**.
4. Loss and expense as defined under **Business Income** coverage and **Extra Expense** coverage that is the result of j.(1)above, if such coverage is otherwise applicable under this Plan Document. This coverage is included within and subject to your Ordinance or Law limit.

**k. Expediting Expenses**

With respect to your damaged **Covered Property**, payment will be made for reasonable extra cost to:

1. Make temporary repairs; and
2. Expedite permanent repairs or permanent replacement.

**l. Hazardous Substances**

1. The additional cost to repair or replace **Covered Property** because of contamination by a **Hazardous Substance**. This includes the additional expenses to clean up or dispose of such property. This does not include contamination of **Perishable Goods** by refrigerant, including but not limited to ammonia, which is addressed in **Perishable Goods** coverage.
2. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no **Hazardous Substance** been involved.
3. You will be paid for your loss and expense as defined under **Business Income** coverage and **Extra Expense** coverage that is the result of (1) above, if such coverage is otherwise applicable under this Plan Document. This coverage is included within and subject to your **Hazardous Substances** limit.

**m. Newly Acquired Locations**

1. You will notify MUSIC within 90 days of any newly acquired location that you have purchased or leased during the Plan Document period.
2. All coverages applicable to any scheduled location under the Equipment Breakdown Coverage are extended to a newly acquired location that you have purchased or leased during the Plan Document period.
3. This coverage begins at the time you acquire the property. As respects newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.
4. This coverage ends when any of the following first occurs:
  - (A) This Plan Document expires;
  - (B) The number of days specified in the Plan Document for this coverage expires after you acquire the location;
  - (C) The location is added to your Statement of Values; or
  - (D) The location is incorporated into the regular coverage of another Equipment Breakdown policy you have,

5. The most that will be paid for a loss, damage or expense arising from any **One Accident** is the amount shown as the Newly Acquired Locations Limit in the Coverage Summary.

**n. Course of Construction**

This coverage is automatically included.

1. All coverages applicable to any location described on your Statement of Values are extended to an expansion or rehabilitation of that location.
2. This coverage begins at the time you begin the expansion or rehabilitation project.

**o. Mold**

1. We will pay for the additional cost to repair or replace **Covered Property** because of contamination by mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast, resulting from an **Accident**. This includes the additional costs to clean up or dispose of such property. This does not include **Spoilage** of personal property that is **Perishable Goods** to the extent that such **Spoilage** is covered under **Perishable Goods** coverage.
2. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no mold, fungus, mildew, yeast, spores or toxins been involved.
3. We will also pay for your loss and expense as defined under **Business Income** coverage and **Extra Expense** coverage that is the result of (1) above, if such coverage is otherwise applicable under this Coverage. This coverage is included within and subject to your Mold limit.
4. We will also pay the cost of testing performed after repair or replacement of the damaged **Covered Property** is completed only to the extent that there is reason to believe there is the presence of mold, fungus, mildew, yeast, spores or toxins.
5. The most we will pay for loss, damage or expense arising out of any **One Accident** is the Mold limit. With respect to a particular **Accident** which results in mold, fungus, mildew, yeast, spores or toxins, we will not pay more than your Mold limit even if the mold, fungus, mildew, yeast, spores or toxins continues to be present or active or recurs in a later coverage period.

**p. Civil Authority**

We will pay for your loss and expense as defined under **Business Income** and **Extra Expense** coverages that results from a civil authority prohibiting access to a location described in the Declarations due solely to an **Accident** that causes damage to property within one mile of such location, provided that such action is taken in response to dangerous physical conditions resulting from the **Accident**, or to enable a civil authority to have unimpeded access to the damaged property.

**q. Green**

1. With respect to **Covered Property**, we will pay for additional costs you incur:
  - (A) To repair damaged property using equipment, materials and service firms required or recommended by a **Recognized Environmental Standards Program**, if repair is the least expensive option as described in Section E. LOSS CONDITIONS, 10. Valuation, paragraph a.;
  - (B) To replace damaged property using equipment, materials and service firms required or recommended by a **Recognized Environmental Standards Program**, if replacement is

the least expensive option as described in Section E. LOSS CONDITIONS, 8. Valuation, paragraph a.:

- (C) To dispose of damaged property or equipment, if practicable, through a recycling process; and
  - (D) To flush out reconstructed space with up to 100% outside air using new filtration media. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.
2. With respect to any building that is **Covered Property** which, at the time of the **Accident**, was certified by a **Recognized Environmental Standards Program**, we will pay for costs you incur:
    - (A) To prevent a lapse of such certification;
    - (B) To reinstate the certification or replace it with an equivalent certification;
    - (C) For an engineer authorized by a **Recognized Environmental Standards Program** to oversee the repair or replacement of the damaged **Covered Property**; and
    - (D) For a Professional Engineer to commission or recommission your damaged mechanical, electrical, or electronic building systems.
  3. We will also pay for your loss and expense as defined under **Business Income** coverage and **Extra Expense** coverage that is the result of (1) and (2) above, if such coverage is otherwise applicable under this Coverage. This coverage is included within and subject to your Green limit.
  4. This Green coverage is subject to the following provisions:
    - (A) This coverage applies in addition to any coverage that may apply under Section E. LOSS CONDITIONS, 8. Valuation, paragraph d. Environmental, Safety and Efficiency Improvements, or any other applicable coverage.
    - (B) This coverage only applies to **Covered Property** that must be repaired or replaced as a direct result of an **Accident**.
    - (C) This coverage does not apply to any property or equipment that is valued on an Actual Cash Value basis under this Coverage.

## B. EXCLUSIONS

MUSIC will not pay for any excluded loss, damage or expense, even though any other cause or event contributes concurrently or in any sequence to the loss, damage or expense.

1. MUSIC will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an **Accident**.

### a. Fire and Explosion

1. Fire, including smoke from a fire.
2. Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.

3. Any other explosion, except as specifically provided in A.1.a.(3).

**b. Ordinance or Law**

The enforcement of, or change in, any ordinance, law regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as specifically provided in A.2. Demolition, Ordinance or Law, **Hazardous Substances**, and Mold coverages.

**c. Earth Movement**

Earth Movement, whether natural or human-made, including but not limited to earthquake, shock, tremor, subsidence, landslide, rock fall, earth sinking, sinkhole collapse or tsunami.

**d. Nuclear Hazard**

Nuclear reaction, detonation or radiation, or radioactive contamination however caused.

**e. War and Military Action**

1. War, including undeclared or civil war;
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in defending against any of these.

**f. Water**

1. Flood, surface water, waves, tidal waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
2. Mudslide or mudflow; or
3. Water that backs up or overflows from a sewer, drain or sump.

However, if electrical **Covered Equipment** requires drying out because of the above, we will pay for the amount you actually expend to dry out such equipment, subject to the applicable **Property Damage** limit and Direct Coverage deductible. We will not pay more than the Actual Cash Value of the affected electrical **Covered Equipment**. We will not pay to replace such equipment for any other loss, damage or expense.

**g. Failure to Protect Property**

Your failure to use all reasonable means to protect **Covered Property** from damage following an **Accident**.

**h. Fines**

Fine, penalty or punitive damage.

**i. Mold**

Mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins, except as specifically covered under Mold coverage. However,

this exclusion does not apply to **Spoilage** of personal property that is **Perishable Goods** to the extent that such **Spoilage** is covered under **Perishable Goods** coverage.

**j. Vandalism**

Vandalism, meaning a willful and malicious act that caused damage or destruction.

2. MUSIC will not pay for an **Accident** caused by or resulting from any of the following causes of loss:
  - a. Lightning.
  - b. Windstorm or Hail. However, this exclusion does not apply when:
    1. **Covered Equipment** located within a building or structure suffers an **Accident** that results from wind-blown rain, snow, sand, or dust; and
    2. The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
  - c. Collision or any physical contact caused by a **Vehicle**. This includes damage by objects falling from aircraft. However, this exclusion does not apply to any unlicensed **Vehicle** which you own or which are operated in the course of your business.
  - d. Riot or Civil Commotion
  - e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.
  - f. Volcanic Action
  - g. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.
  - h. Elevator Collision.
3. MUSIC will not pay for an **Accident** caused by or resulting from any of the following perils, if such peril is a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this Plan Document.
  - a. Falling Objects.
  - b. Weight of Snow, Ice or Sleet.
  - c. Water Damage, meaning discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.
  - d. Collapse
  - e. Breakage of Glass.
  - f. Freezing caused by cold weather.
  - g. Discharge of molten material from equipment, including the heat from such discharged material.
4. Exclusions 2. and 3. Do not apply if all of the following are true:
  - a. The excluded peril occurs away from any location listed on your Statement of Values and causes an electrical surge or other electrical disturbance;
  - b. Such surge or disturbance is transmitted through utility service transmission lines to a described location;

- c. At the location, the surge or disturbance results in an **Accident to Covered Equipment** that is owned or operated under the control of you or your landlord; and
  - d. The loss, damage or expense caused by such surge or disturbance is not a covered loss under another coverage part or policy of insurance you have, whether collectible or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this Plan Document.
5. With respect to **Business Income, Extra Expense** and **Service Interruption** coverages, MUSIC will also not pay for:
- a. Loss associated with business that would or not have been carried on if the **Accident** had not occurred;
  - b. Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business;
  - c. That part of any loss that extends beyond or occurs after the **Period of Restoration**. This includes, but is not limited to:
    - 1. **Business Income** that would have been earned after the **Period of Restoration**, even if such loss is the direct result of the suspension; lapse or cancellation of a contract during the **Period of Restoration**; and
    - 2. **Extra Expense** to operate your business after the **Period of Restoration**, even if such loss is contracted for and paid during the **Period of Restoration**.
  - d. Any increase in loss resulting from an agreement between you and your customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.
6. With respect to **Off Premises Property Damage** coverage, **Service Interruption** coverage, Contingent **Business Income** coverage, paragraph (2) of **Perishable Goods** coverage and Civil Authority coverage, we will also not pay for an **Accident** caused by or resulting from any of the perils listed in Exclusion 3. above, whether or not such peril is a covered cause of loss under another coverage part or policy of insurance you have.
7. With respect to **Data** Restoration coverage, MUSIC will also not pay to reproduce:
- a. Software programs or operating systems that are not commercially available; or
  - b. **Data** that is obsolete, unnecessary or useless to you.
8. With respect to Demolition and Ordinance or Law coverages, MUSIC will also not pay for.
- a. Increased demolition or reconstruction costs until they are actually incurred; or
  - b. Loss due to any ordinance or law that:
    - 1. You were required to comply with before the loss, even if the building was undamaged; and
    - 2. You failed to comply with; whether or not you were aware of such non-compliance.

## C. LIMITS OF COVERAGE

### 1. Equipment Breakdown Limit

The most MUSIC will pay for loss, damage or expense arising from any **One Accident** is the amount shown as the Equipment Breakdown Limit in the Coverage Summary.

## 2. Coverage Limits

- a. The limit of your coverage under each of the coverages listed in A2. from loss, damage or expense arising from any **One Accident** is the amount indicated for that coverage in the Coverage Summary. These limits are a part of, and not in addition to, the Equipment Breakdown Limit. If an amount of time is shown, coverage will continue for no more than that amount of time immediately following the **Accident**. If a coverage is shown as "Included," that coverage is provided up to the remaining amount of the Equipment Breakdown Limit. If no limit is shown in the Coverage Summary for a coverage, or if a coverage is shown as Excluded, that coverage will be considered to have a limit of \$0.
- b. If two or more coverage limits apply to the same loss or portion of a loss, MUSIC will pay only the smallest of the applicable limits for that loss or portion of the loss. This means that if:
  1. You have a loss under one of the coverages listed in A2.; and
  2. All or part of the loss is not covered because the applicable coverage is Excluded or has a limit that is less than the amount of your loss, MUSIC will not pay the remaining amount of such loss under any other coverage.

### EXAMPLE 1

**Property Damage** Limit: \$7,000,000

**Business Income** Limit: \$500,000

**Hazardous Substances** Limit: \$25,000

There is an **Accident** that results in a loss of \$100,000. If no **Hazardous Substance** had been involved, the property damage loss would have been \$10,000 and the **Business Income** loss would have been \$20,000. The presence of the **Hazardous Substance** increased the loss by \$70,000 (increasing the clean up and repair costs by \$30,000 and increasing the **Business Income** loss by \$40,000). We will pay \$55,000 (\$10,000 property damage plus \$20,000 **Business Income** plus \$25,000 **Hazardous Substances**).

## D. DEDUCTIBLES

### 1. Deductibles for Each Coverage

- a. MUSIC will not pay for loss, damage or expense under any coverage until the amount of the covered loss or damage exceeds the deductible amount indicated for that coverage in the Coverage Summary. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit indicated in the Coverage Summary.
- b. The following applies when a deductible is expressed as a function of the horsepower rating of a refrigerating or air conditioning system. If more than one compressor is used with a single system, the horsepower rating of the largest motor or compressor will determine the horsepower rating of the system.

### 2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Coverage Summary.
- b. Unless more specifically indicated in the Coverage Summary:

1. Indirect Coverages Deductibles apply to **Business Income** and **Extra Expense** loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage; and
2. Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this Equipment Breakdown Coverage.

## EXAMPLE 2

An **Accident** results in covered losses as follows:

\$100,000 Total Loss (all applicable coverages)

\$35,000 **Business Income** Loss (including \$2,000 of **Business Income** loss payable under **Data** Restoration coverage)

\$5,000 **Extra Expense** Loss

In this case, the Indirect coverages loss totals \$40,000 before application of the Indirect Coverage Deductible. The Direct coverages loss totals the remaining \$60,000 before application of the Direct Coverage Deductible.

### 3. Application of Deductibles

#### a. Dollar Deductibles

MUSIC will not pay for loss, damage or expense resulting from any **One Accident** until the amount of loss, damage or expense exceeds the applicable deductible. MUSIC will then pay the amount of loss, damage or expense in excess of the applicable deductible subject to the applicable limits shown in the Coverage Summary.

#### b. Time Deductibles

If a time deductible is shown on the Coverage Summary, MUSIC will not be liable for any loss occurring during the specified number of hours or days immediately following the **Accident**. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

## E. LOSS CONDITIONS

### 1. Abandonment

There can be no abandonment of any property.

### 2. Brands and Labels

- a. If branded or labeled merchandise that is **Covered Property** is damaged by an **Accident**, but retains a salvage value, you may:
  1. Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
  2. Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
- b. We will pay for any reduction in value of the salvage merchandise resulting from either of the two actions listed in 2.a. above, subject to all applicable limits.

- c. We will also pay the reasonable and necessary expenses you incur to perform either of the two actions described in 2.a. above. We will pay for such expenses to the extent that they do not exceed the amount recoverable from salvage.
- d. If a Brands and Labels Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

### 3. Defense

MUSIC has the right, but are not obligated, to defend you against suits arising from claims of owners of property in your care, custody or control. When MUSIC does this, it will be at their expense.

### 4. Duties in the Event of Loss or Damage

You must see that the following are done in the event of loss or damage:

- a. Give prompt notice of the loss or damage, including a description of the property involved.
- b. You must reduce your loss, damage or expense, if possible, by:
  - 1. Protecting property from further damage. MUSIC will not pay for your failure to protect property, as stated in Exclusion B.1.g.;
  - 2. Resuming business, partially or completely at the location of loss or at another location;
  - 3. Making up lost business within a reasonable amount of time. This includes working extra time or overtime at the location of loss or at another location. The reasonable amount of time does not necessarily end when the operations are resumed;
  - 4. Using merchandise or other property available to you;
  - 5. Using the property or services of others; and
  - 6. Salvaging the damaged property.
- c. Allow MUSIC a reasonable time and opportunity to examine the property and premises before repair or replacement is undertaken or physical evidence of the **Accident** is removed. But you must take whatever measures are necessary for protection from further damage.
- d. Make no statement that will assume any obligation or admit any liability, for any loss damage or expense for which we may be liable, without consent.
- e. Promptly send MUSIC any legal papers or notices received concerning the loss, damage or expense.
- f. as often as may be reasonably required, permit MUSIC to inspect your property, premises and records. Also permit them to take samples of damaged and undamaged property for inspection, testing and analysis, and permit them to make copies from your books and records.
- g. If requested, permit MUSIC to examine you and any of your agents, employees and representatives under oath. MUSIC may examine any **Member** under oath while not in the presence of any other insured. Such examination:
  - 1. May be at any time reasonably required;
  - 2. May be about any matter relating to this coverage, your loss, damage or expense, or your claim, including, but not limited to, your books and records; and
  - 3. May be recorded by MUSIC by any methods they choose.

- h. Send MUSIC a signed, sworn proof of loss containing the information they request. You must do this within 60 days after their request.
- i. Cooperate with MUSIC in the investigation and settlement of the claim.

## 5. Errors and Omissions

- a. MUSIC will pay your loss covered by this Equipment Breakdown coverage if such loss is otherwise not payable solely because of any of the following:
  - 1. Any error or unintentional omission in the description or location of property as insured under this Plan Document;
  - 2. Any failure through error to include any premises owned or occupied by you at the inception of this coverage; or
  - 3. Any error or unintentional omission by you that results in cancellation of any premises insured under this Plan Document.
- b. No coverage is provided as a result of any error or unintentional omission by you in the reporting of values.
- c. It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered.

## 6. Proving Your Loss

It is your responsibility, at your own expense, to provide documentation to us:

- a. Demonstrating that the loss, damage or expense is the result of an **Accident** covered under this Equipment Breakdown Coverage; and
- b. Calculating the dollar amount of the loss, damage and expense that you claim is covered. Your responsibility in 6.a. above is without regard to whether or not the possible **Accident** occurred at your premises or involved your equipment.

## 7. Salvage and Recoveries

When, in connection with any loss under this Equipment Breakdown Coverage, any salvage or recovery is received after the payment for such loss, the amount of the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined. Any amounts thus found to be due either party from the other shall be paid promptly.

## 8. Valuation

MUSIC will determine the values of **Covered Property** as follows:

- a. Except as specified otherwise, payment for damaged **Covered Property** will be the smallest of:
  - 1. The cost to repair the damaged property;
  - 2. The cost to replace the damaged property on the same site; or
  - 3. The amount you actually spend that is necessary to repair or replace the damaged property.
- b. The amount of payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.

- c. Except as described in d. below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- d. Environmental, Safety and Efficiency Improvements If **Covered Equipment** requires replacement due to an **Accident**. MUSIC will pay your additional cost to replace with equipment that they agree is better for the environment, safer for people or more energy efficient than the equipment being replaced, subject to the following conditions:
  - 1. They will not pay more than 150% of what the cost would have been to replace with like kind and quality;
  - 2. They will not pay to increase the size or capacity of the equipment;
  - 3. This provision only applies to **Property Damage** coverage;
  - 4. This provision does not increase any of the applicable limits;
  - 5. The provision does not apply to any property valued on an Actual Cash Value Basis; and
  - 6. This provision does not apply to the replacement of component parts.
- e. The following property will be valued on an Actual Cash Value basis:
  - 1. Any property that does not currently serve a useful or necessary function for you;
  - 2. Any **Covered Property** that you do not repair or replace within 24 months after the date of the **Accident**; and
  - 3. Any **Covered Property** for which Actual Cash Value coverage is specified in the Coverage Summary. Actual Cash Value includes deduction for depreciation.
- f. If any one of the following conditions is met. Property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
  - 1. The property was manufactured by you;
  - 2. The sales price of the property is less than the replacement cost of the property; or
  - 3. You are unable to replace the property before its anticipated sale.
- g. Except as specifically provided for under **Data Restoration** coverage, **Data** and **Media** will be valued on the following basis:
  - 1. For mass-produced and commercially available software, at the replacement cost.
  - 2. For all other **Data** and **Media**, at the cost of blank **Media** for reproducing the records. We will not pay for **Data** representing financial records based on the face value of such records.
- h. Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:
  - 1. Repair or replace the damaged property and replace any lost CFC refrigerant;
  - 2. Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant: or
  - 3. Replace the system with one using a non-CFC refrigerant. In determining the least expensive option, MUSIC will include any associated **Business Income** or **Extra Expense** loss. If option (2) or (3) is more expensive than (1), but you wish to retrofit or replace anyway,

MUSIC will consider this better for the environment and therefore eligible for valuation under paragraph d. Environmental, Safety and Efficiency Improvements. In such case, E.8.d.(1) is amended to read: "We will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality."

## F. ADDITIONAL CONDITIONS

The following conditions apply:

### 1. Additional Insured

If a person or organization is designated in this Equipment Breakdown Coverage as an additional insured, we will consider them to be an insured under this Equipment Breakdown Coverage only to the extent of their interest in the **Covered Property**.

### 2. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve you or **us** of any obligation under this Equipment Breakdown Coverage.

### 3. Concealment, Misrepresentation or Fraud

MUSIC will not pay for any loss and coverage will be void if you or any additional insured at any time:

- a. Intentionally cause or allow loss, damage or expense in order to collect on insurance; or
- b. Intentionally conceal or misrepresent a material fact concerning: (1) The Equipment Breakdown Coverage:
  1. The **Covered Property**;
  2. Your interest in the **Covered Property**; or
  3. A claim under the Equipment Breakdown Coverage.

### 4. Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any **Covered Equipment** that is **Covered Property** requires inspection to comply with such regulations, at your option MUSIC agrees to perform such inspection.

### 5. Legal Action Against Us

No one may bring a legal action against MUSIC under this Equipment Breakdown Coverage unless:

- a. There has been full compliance with all the terms of this Equipment Breakdown Coverage; and
- b. The action is brought within two years after the date of the **Accident** or
- c. MUSIC agrees in writing that you have an obligation to pay for damage to **Covered Property** of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this Plan Document to bring MUSIC into an action to determine your liability.

### 6. Liberalization

If MUSIC adopts any standard form revision for general use that would broaden the coverage under this Equipment Breakdown Coverage without additional premium, the broadened coverage

will apply to this Equipment Breakdown Coverage commencing on the date that such revision becomes effective in the jurisdiction where the **Accident** occurs.

## 7. Maintaining Your Property and Equipment

It is your responsibility to appropriately maintain your property and equipment. MUSIC will not pay your costs to maintain, operate, protect or enhance your property or equipment, even if such costs are to comply with our recommendations or prevent loss, damage or expense that would be covered under this Plan Document.

## 8. Other Insurance

If there is other insurance that applies to the same loss, damage or expense, this Equipment Breakdown Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

## 9. Plan Document Period, Coverage Territory

Under this Equipment Breakdown Coverage:

- a. The **Accident** must occur during the Plan Document period, but expiration of the Plan Document does not limit MUSIC's liability.
- b. The **Accident** must occur within the following **Coverage Territory**:
  1. The United States of America (including its territories and possessions):
  2. Puerto Rico; and
  3. Canada.

As respects **Off Premises Property Damage** coverage only, the **Accident** may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

## 10. Privilege to Adjust with Owner

In the event of loss, damage or expense involving property of others in your care, custody or control, MUSIC has the right to settle the loss, damage or expense with respect to such property with the owner of the property. Settlement with owners of that property will satisfy any claim of yours.

## 11. Suspension

Whenever **Covered Equipment** is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage against loss from an **Accident** to that **Covered Equipment**. This can be done by delivering or mailing a written notice of suspension to:

- a. Your last known address; or
- b. The address where the **Covered Equipment** is located.

Once suspended in this way, your coverage can be reinstated only by an endorsement for that **Covered Equipment**. If MUSIC suspends your coverage, you will get a pro rata refund of premium for that **Covered Equipment** for the period of suspension. But the suspension will be effective even if they have not yet made or offered a refund.

## 12. Transfer of Rights of Recovery Against others to MUSIC

If any person or organization to or for whom MUSIC makes payment under this Equipment Breakdown Coverage has rights to recover damages from another, those rights are transferred to MUSIC to the extent of their payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to an **Accident**.
- b. After an **Accident** only if, at time of the **Accident**, that party is one of the following:
  1. Someone insured by this coverage:
  2. or A business firm:
    - (A) Owned or controlled by you: or
    - (B) That owns or controls you.

## G. DEFINITIONS

### 1. Accident

- a. **Accident** is defined in A.1.a.
- b. None of the following is an **Accident** however caused and without regard to whether such condition or event is normal and expected or unusual and unexpected:
  1. Depletion, deterioration, rust, corrosion, settling or wear and tear;
  2. Any gradually developing condition;
  3. Any defect, programming error, programming limitation, computer virus, malicious code, loss of **Data**, loss of access, loss of use, loss of functionality or other condition within or involving **Data** or **Media** of any kind;
  4. Contamination by a **Hazardous Substance**; or
  5. Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

### 2. Boilers and Vessels means:

- a. Boilers;
- b. Steam piping;
- c. Piping that is part of a closed loop used to conduct heat from a boiler;
- d. Condensate tanks; and
- e. Unfired vessels which, during normal usage, operate under vacuum or pressure, other than the weight of contents.

### 3. Building Utilities means **Covered Equipment** permanently mounted on or in a building and used to provide any of the following services within the building: heating, ventilating, air conditioning, electrical power, hot water, elevator or escalator services, natural gas service or communications. **Building Utilities** does not include personal property or equipment used in manufacturing or processing.

4. **Buried Vessels or Piping** means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.

5. **Business Income** means:

The sum of:

- a. The Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal and necessary operating expenses incurred, including employee payroll.

6. **Business Income Actual Annual Value** means:

The **Business Income** for the current fiscal year that would have been earned had no **Accident** occurred.

In calculating the **Business Income Actual Annual Value**, MUSIC will take into account the actual experience of your business before the **Accident** and the probable experience you would have had without the **Accident**.

7. **Covered Equipment**

- a. **Covered Equipment** is defined in A.I.b.
- b. None of the following is **Covered Equipment**:
  1. Structure, including but not limited to the structural portions of buildings and towers, and scaffolding;
  2. Foundation;
  3. Cabinet, compartment, conduit or ductwork;
  4. Insulating or refractory material;
  5. **Buried Vessels or Piping**;
  6. Waste, drainage or sewer piping;
  7. Piping, valves or fittings forming a part of a sprinkler or fire suppression system;
  8. Water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
  9. **Vehicle** or any equipment mounted on a **Vehicle**;
  10. Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
  11. Dragline, excavation or construction equipment;
  12. Equipment manufactured by you for sale; or
  13. **Data**.

8. **Covered Property**

- a. **Covered Property** means property that you own or property that is in your care, custody or control and for which you are legally liable. Such property must be at a location described in the Statement of Values except as provided under **Off Premises Property Damage** coverage.

b. None of the following is **Covered Property**:

1. Accounts, bills, currency, deeds or other evidences of debt, money, notes or securities;
2. Fine arts, jewelry, furs or precious stones;
3. Precious metal, unless forming a part of **Covered Equipment**;
4. Animals;
5. Contraband, or property in the course of illegal transportation or trade;
6. Land (including land on which the property is located), water, trees, growing crops or lawns;  
or
7. Shrubs or plants, unless held indoors for retail sale.

**9. Data** means:

Information or instructions stored in digital code capable of being processed by machinery.

**10. Electrical Generating Equipment**

means:

Equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:

1. Boilers used primarily to provide steam for one or more turbine-generator units;
2. Turbine-generators (including steam, gas, water or wind turbines);
3. Engine-generators;
4. Fuel cells or other alternative electrical generating Equipment Breakdown Coverage
5. Electrical transformers, switchgear and power lines used to convey the generated electricity;  
and
6. Associated Equipment necessary for the operation of any of the equipment listed in (1) through (5) above.

**Electrical Generating Equipment** does not mean:

1. Elevator or hoist motors that generate electricity when releasing cable; or
2. Equipment intended to generate electricity solely on an emergency, back-up basis.

**11. Extra Expense** means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no **Accident** occurred.

**12. Hazardous Substance** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

**13. Interruption of Service**

means:

A failure or disruption of the normal supply of any of the Covered Services listed in a. below, when such failure or disruption is caused by an **Accident** to **Covered Equipment** subject to the conditions listed in b. through d. below.

- a. Covered Services are electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks and data transmission.
- b. The **Covered Equipment** must either be:
  1. Owned by a company with whom you have a contract to supply you with one of the Covered Services; or
  2. Used to supply you with one of the Covered Services and located within one mile of a location described on your Statement of Values.
- c. No failure or disruption of service will be considered to qualify as an **Interruption of Service** until the failure or disruption exceeds the 24 hours immediately following the **Accident**.
- d. **Interruption of Service** does not include any failure or disruption, whether or not arising from or involving an **Accident** in which a supplier could have continued to provide service to the location but chose for any reason to reduce or discontinue service.

#### 14. Interruption of Supply

means:

A failure or disruption of the normal supply of any of the **Covered Contingencies** listed below, when such failure or disruption is caused by an **Accident** to **Covered Equipment** that is located at a Contingent **Business Income** supplier or receiver location on your Statement of Values. If no Contingent **Business Income** supplier or receiver location is indicated in the Coverage Summary, the **Covered Equipment** must be owned by a supplier from whom you have received the **Covered Contingency** for at least six months prior to the **Accident** or a receiver to whom you have supplied the **Covered Contingency** for at least six months prior to the **Accident**.

- a. **Covered Contingencies** are raw materials, intermediate products, finished products, packaging materials and product processing services.

#### 15. Media means:

Material on which **Data** is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

#### 16. One Accident means:

All **Accidents** occurring at the same time from the same event. If an **Accident** causes other **Accidents**, all will be considered **One Accident**.

#### 17. Period of Restoration means:

The period of time that begins as of the time access is prohibited by action of the civil authority and continues until the earlier of:

- a. 21 days thereafter; or
- b. The date access is restored.

#### 18. Perishable Goods means:

Any **Covered Property** subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.

**19. Production Machinery** means:

Any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, **Production Machinery** does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

**20. Spoilage** means:

Any detrimental change in state. This includes but is not limited to, thawing of frozen goods, warming of refrigerated goods, freezing of fresh goods, solidification of liquid or molten material and chemical reactions to material in process.

**21. Vehicle** means:

Any machine or apparatus that is used for transportation or moves under its own power. **Vehicle** includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a **Vehicle**.

**22. Anchor Location** means:

A location, operated by others, upon which you depend to attract customers to your location. An **Anchor Location** must have been open for business for at least six months prior to the **Accident**, and must be located within one mile of your location.

**23. Recognized Environmental Standards Program** means:

One of the following:

- a. The United States Environmental Protection Agency ENERGY STAR® program;
- b. The U.S. Green Building Council LEED® program;
- c. The Green Building Initiative GREEN GLOBES® program; or
- d. Any nationally or internationally recognized environmental standards program that is designed to achieve energy savings and related objectives of the type included in the programs listed above.

**MUSIC**  
**COVERAGE SUMMARY**

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**Commercial General Liability/Automobile Liability/School Board Legal Liability****Commercial General Liability/Automobile Liability**

NAMED INSURED: Missouri United School Insurance Council

DOCUMENT PERIOD: 12/31/19-20, 12:01 am

LOCATIONS COVERED: Worldwide

COVERED PARTIES: **MUSIC Member**  
Trustees  
Elected or appointed members of the **Member**  
Employees  
Student teachers  
Teaching assistants  
Uncompensated Volunteers within Scope of Duty

LIMITS OF COVERAGE: General Liability/**Automobile** Liability

\$3,000,000 Each **Occurrence**

\$1,000,000 Fire Damage Legal Liability – Any One Fire  
(General Liability)

Uninsured Motorists Coverage:

\$50,000 per person, \$100,000 per **Occurrence**

Underinsured Motorists Coverage:

\$50,000 per person, \$100,000 per **Occurrence**

NOTE: The limits of coverage stated above are specific to each stated coverage part but the most we will pay in any one **Occurrence** involving the Combined Liability Coverage Agreement, regardless of the number of coverage parts involved, is \$3,000,000.

DEDUCTIBLE: A maintenance **Deductible** will apply on a per **Member** basis for any loss arising or that is alleged to have arisen from an act of Abuse or Molestation (as defined herein). This **Deductible** will be waived if the **Member** has participated in a designated and MUSIC-approved training program. If training has not been initiated within the **Member** district, the **Deductible** will be \$100,000.

CANCELLATION, NON-RENEWAL OR MATERIAL MODIFICATION: 90 Days Written Notice  
10 Days for Non-Payment of Premium

COVERAGE TYPE: **Occurrence**

COVERAGE FORM: MUSIC Combined Liability Coverage Agreement for Primary General Liability, **Automobile** Liability and School Board Liability

GENERAL LIABILITY COVERAGE INCLUDES: Premises/Operations  
 Products/Completed Operations  
 Personal and Advertising Injury  
 Fire Damage Legal Liability  
**Defense Costs** in addition to the **Limit of Liability**  
 Contractual Liability (Tort)  
**Personal Injury** to include Contractual Liability  
 Employees as Additional **Covered Persons**  
 Host Liquor Liability  
 Incidental Medical Malpractice Liability  
 Miscellaneous Medical Malpractice - School nurses, student nurses, counselors and Allied Health practitioners for claims from third parties arising out of the scope of their duties  
 Non-Owned **Watercraft** of 26 feet or less  
 Newly Formed or Acquired Subsidiaries over whom the **Member** exerts effective control

LIMITED COVERAGE EXTENTIONS: **Non-Pecuniary Damages Defense Costs**  
 Limited coverage provided for **Defense Costs** related to **Claims** against a **Member** for non-monetary damages or requests for injunctive relief from a Court.

**Deductible:** \$ 1,000 per **Occurrence**  
 Limit: \$30,000 per **Occurrence** subject to \$60,000 combined annual aggregate with School Board Liability coverage

**Limited Punitive Damages Coverage**

Coverage is extended to include limited coverage for punitive damages.

Limit: \$200,000 per **Occurrence**, and in the Annual Aggregate per **Member**, subject to and not in addition to \$3,000,000 per **Occurrence** limit

**Cyber Coverage**

A cyber liability policy has been procured by MUSIC as a part of your benefits as a **Member**; however, the cyber liability policy (Attachment 2) is coverage distinct from the coverage provided by MUSIC under this Plan Document. The cyber liability policy is administered by the insurer and the benefits thereunder are determined and paid by the insurer. **Members** are urged to carefully review the terms of the cyber liability policy and comply with its terms. Notice to MUSIC is not notice to the insurer. MUSIC cannot waive or alter any of the terms of the cyber liability policy.

AUTOMOBILE LIABILITY COVERAGE INCLUDES:

1. Liability coverage for owned, hired and non-owned vehicles.
2. Contractual Liability (Tort)
3. Additional Insured - Lessors or any other party with a legal interest in any vehicle leased or hired by or on behalf of the **Member** as required by written contract.
4. Hired Autos covered as Owned Vehicles

- 5. Broad "Who is Covered" wording
- 6. Pollution Coverage- Broadened for **Property Damage** to property of others caused by collision, overturn or upset of an **Automobile** owned, leased or rented by the **Member**.
- 7. **Garage Liability**- Provides liability coverage for garage operations
- 8. Employees As **Covered Persons**- while driving their own vehicles on business of the **Member**. However, this is excess over any other collectible insurance on the vehicle.

UNINSURED MOTORIST  
COVERAGE INCLUDES:

- 1. \$50,000 per person, \$100,000 per **Occurrence**
- 2. **Covered Person** specifically defined for Uninsured Motorist Coverage as set forth in Definitions
- 3. Excess coverage as set forth in the Other Coverage or Insurance section
- 4. No stacking.

UNDERINSURED MOTORIST  
COVERAGE INCLUDES:

- 1. \$50,000 per person, \$100,000 per **Occurrence**
- 2. **Covered Person** specifically defined for Underinsured Motorist Coverage as set forth in Definitions
- 3. Excess coverage as set forth in the Other Coverage or Insurance section
- 4. No stacking.

Coverage is subject to the provisions, stipulations, exclusions and other provisions in the Coverage Agreement attached to this Coverage Summary and in the representations of the **Member** in the initial and subsequent applications for coverage, together with such other provisions, stipulations, exclusions and conditions as may be endorsed on this Plan Document or added thereto.

**MUSIC**  
**COVERAGE SUMMARY**

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**School Board Liability Coverage**

NAMED INSURED:	Missouri United School Insurance Council
DOCUMENT PERIOD:	12/31/19-20, 12:01 am
TERRITORY:	Worldwide
COVERAGE AGREEMENT:	<ul style="list-style-type: none"> <li>• Coverage for <b>Wrongful Acts</b> meaning any actual error, omission, act, misstatement, neglect or breach of duty in the discharge of duties to or on behalf of the <b>Member</b>.</li> <li>• Coverage for a <b>Wrongful Act</b> with respect to its employees or prospective employees by a <b>Member</b> as employer or by a person or entity for whose acts the <b>Member</b> is liable, including failure to hire, retain or promote, wrongful demotion, termination, discipline, or failure to grant due process, or wrongful discrimination in the terms or conditions of employment, including sexual harassment.</li> </ul>
LIMITS OF COVERAGE:	\$3,000,000 Each <b>Claim</b> \$6,000,000 Each Plan Document Year - Each District or <b>Member</b>

NOTE: The limits of coverage stated above are specific to this coverage part but the most we will pay in any one **Claim** involving the Combined Liability Coverage Agreement is \$3,000,000, regardless of the number of coverage parts involved.

DEDUCTIBLE:	\$ Zero Each <b>Covered Person</b> \$ Zero All <b>Covered Persons</b> \$ Zero <b>Covered Organization</b>
CANCELLATION, NON-RENEWAL OR MATERIAL MODIFICATION:	90 Days Written Notice 10 Days for Non-Payment of Premium
FORM:	MUSIC Combined Liability Coverage Agreement, Coverage B
COVERAGE TYPE:	Claims-Made
PRIOR AND PENDING DATE:	12/31/85 School Board Legal Liability 12/31/85 Employee Benefits Liability 12/31/85 Employment Related Practices (\$500,000) 12/31/95 Employment Related Practices (\$1,000,000 limit) 12/31/99 Employment Related Practices (\$2,000,000 limit)

**Employee Benefit Liability - Claims Made Form**

1. Coverage for damages the **Member** becomes legally obligated to pay because of any **Claim** arising out of a

- negligent act, error, or omission in the **Administration** of employee benefit programs to which this coverage applies by: an employee, a former employee or the beneficiaries or legal representatives of an employee or a former employee
2. **Administration** as used herein shall mean:
    - a) giving counsel to your employees or their dependents and beneficiaries, with respect to interpreting the scope of your **Employee Benefits Program** or their eligibility to participate in such programs;
    - b) handling records in connection with "employer benefits program";
    - c) effecting enrollment, termination or cancellation of employees under an **Employee Benefits Program**;
    - d) and shall also include liability as a fiduciary with regard to the errors and omissions of **Member** administrative staff.
  3. **Employee Benefit Programs** include group life insurance, group health insurance, profit sharing plans, pension plans, employee investment subscription plans, workers' compensation, unemployment insurance, social security, disability benefits insurance and travel, savings or vacation plans.

EXTENDED REPORTING PERIOD:

60 Days Automatic - No Charge  
 60 Days Election Period  
 3 Year Terms (including automatic 30 day extension)  
 200% of Expiring Premium applies  
 Limit is extended, not additional

NOTABLE EXCLUSIONS:

(See the following Coverage Agreement for a complete list of exclusions)

- Wages in any form excluded, i.e. vacation, sick leave, front and back, overtime, pay differential, except that front pay, back pay and pay differential shall be limited to \$100,000 per **Claim** for a covered **Wrongful Act** and \$200,000 annual aggregate per **Member**.
- EEOC, OCR and MHRC hearings and proceedings
- **Claims** seeking injunctive relief or other non-pecuniary relief except as noted below
- Punitive damages except as provided below

LIMITED COVERAGE EXTENSIONS:

**Special Education Coverage- Claims Made Form**

An Individualized Education Program (IEP) due process claim is made and coverage triggered at that time a formal request for due process is made by the claimant or **Member**. Any appeal of the Due Process panel decision is considered a derivative of the initial Due Process **Claim** and will be included under and subject to the maximum **Limit of Liability** for that **Claim** (Due Process request) made. This coverage also extends to Section 504 hearings.

**Deductible:** \$ 1 ,000 per **Claim**  
**Limit:** \$30,000 per **Claim**

**Non-Pecuniary Damages Defense Costs - Claims Made Form**

Limited coverage provided for **Defense Costs** related to **Claims** against a **Member** for non-monetary damages or requests for injunctive relief from a Court.

**Deductible:** \$ 1,000 per **Claim**

Limit: \$30,000 per **Claim** subject to \$60,000 combined annual aggregate with General Liability coverage

#### **Limited Punitive Damages Coverage**

Coverage is extended to include limited coverage for punitive damages..

**Deductible:** \$0 per **Claim**

Limit: \$200,000 per **Occurrence** or **Wrongful Act**, and in the Annual Aggregate per **Member**, subject to and not in addition to \$3,000,000 per **Occurrence** limit

Coverage is subject to the provisions, stipulations, exclusions and other provisions in the Coverage Agreement attached to this Coverage Summary and in the representations of the **Member** in the initial and subsequent applications for coverage, together with such other provisions, stipulations, exclusions and conditions as may be endorsed on said Document or added thereto.

**MISSOURI UNITED SCHOOL INSURANCE COUNCIL**

**Combined Liability Coverage Agreement  
Primary General / Automobile Liability  
School Board Legal Liability  
Uninsured Motorist Coverage  
Underinsured Motorist Coverage**

For

Primary General | **Automobile** Liability  
School Board Legal Liability

MUS-POL.DOC -August 2000 Edition (rev 12/12)

**Combined Liability Coverage Agreement  
 Primary General I Automobile Liability  
 School Board Legal Liability  
 Uninsured Motorist Coverage  
 Underinsured Motorist Coverage**

(The words **we**, **us** and **our** when used in this Coverage Agreement refer to the Missouri United School Insurance Council.)

In consideration of the payment of the premium, in reliance on the statements made and information submitted to **us** for consideration and evaluation of the risk, and subject to the **Limit of Liability**, **Deductibles**, exclusions, definitions, conditions and other provisions of this Coverage Agreement, **we** agree with the **Member** that:

**COVERAGE AGREEMENT**

1. **COVERAGE A: Occurrence Coverage - Bodily Injury - Property Damage - Personal Injury.** We will pay on behalf of a **Covered Party** all **Damages** up to the **Limit of Liability** as a result of an **Occurrence** in the **Coverage Territory**.
2. **COVERAGE B: Claims-Made Coverage - School Board Legal Liability/Wrongful Acts.** We will pay on behalf of a **Covered Party** all **Damages** up to the **Limit of Liability** as a result of a **Wrongful Act** after the **Date of First Coverage** to which this Coverage Agreement applies and for which a **Claim** is first made against the **Covered Party** in the **Coverage Territory** during the **Coverage Period** and reported to **us** as soon as reasonably practicable but not later than 60 days after the end of the **Coverage Period**.
3. **Employee Benefit Liability - Claims Made Coverage** - We will pay on behalf of a **Covered Party** all **Damages** up to the **Limit of Liability** which the **Covered Party** becomes legally liable to pay because of any **Claim** arising out of a negligent act, error, or omission in the **Administration of Employee Benefit Programs** to which this coverage applies by: an employee, a former employee or the beneficiaries or legal representatives or an employee or a former employee.
4. **We** have the right and duty to investigate, defend **and settle any Claim arising from an Occurrence or Wrongful Act to which this Coverage Agreement applies.**
5. **Our** right and duty to defend ends when the **Limit of Liability** of the applicable coverage part has been exhausted.
6. **COVERAGE C: Uninsured Motorist Coverage.** We will pay for **Damages** in the sums not to exceed the amounts set forth in the Coverage Summary, which a **Covered Person** is entitled to recover from the owner or operator of an **Uninsured Motor Vehicle** because of **Bodily Injury** arising out of:
  - (1) Injury to a **Covered Person**;
  - (2) Caused by an **Occurrence**;
  - (3) While using a vehicle owned, rented or leased by a **Covered Party**; and
  - (4) Arising out of the ownership, maintenance or use of an **Uninsured Motor Vehicle**.
7. **COVERAGE D: Underinsured Motorist Coverage.** We will pay for **Damages** in the sums not to exceed the amounts set forth in the Coverage Summary, which a **Covered Person** is entitled to recover from the owner or operator of an **Underinsured Motor Vehicle** because of **Bodily Injury** arising out of:
  - (1) Injury to a **Covered Person**;
  - (2) Caused by an **Occurrence**;
  - (3) While using a vehicle owned, rented or leased by a **Covered Party**; and

(4) Arising out of the ownership, maintenance or use of an **Underinsured Motor Vehicle**.

**We** will only pay after the limit of liability under all other available liability bonds, policies of insurance or securities that apply to that person have been exhausted by payment of judgments or settlements. Any amounts otherwise payable for **Damages** under this coverage shall be reduced by all sums paid or payable because of the injury under any workers' compensation law.

## DEFINITIONS

This Coverage Agreement is subject to the following definitions:

1. **Abuse or Molestation** includes **Related Abuse or Molestation** and means:

a. The alleged, actual, threatened, unwelcome or offensive:

- 1) Physical conduct, including sexual assault, sexual abuse or molestation, or sexual misconduct; or
- 2) Verbal or written conduct or conduct using visual images, including conduct by electronic means; or

b. The negligent:

- 1) Employment;
- 2) Investigation;
- 3) Supervision;
- 4) Reporting to proper authorities, or failure to so report; or
- 5) Retention;

of a person for whom any **Covered Party** is or ever was legally responsible and whose conduct would fall within the parameters of Paragraph a.(1) and (2) above; or

c. Breach of any legal obligation arising out of any **Abuse or Molestation Occurrence**, or breach of any duty to any person who was abused or molested.

**Related Abuse or Molestation** means:

Acts having a common nexus with, or involving, a series of causally or logically related acts.

2. **Administration** means:

Giving counsel to your employees or their dependents and beneficiaries, with respect to interpreting the scope of your **Employee Benefits Program** or their eligibility to participate in such programs; (b) handling records in connection with **Employee Benefits Program**; (c) effecting enrollment, termination or cancellation of employees under **Employee Benefits Program**, and (d) liability as a fiduciary with regard to the errors and omissions of **Covered Person's** administrative staff.

3. **Automobile** means:

A land motor vehicle designed and registered for travel on public roads and includes any attached trailer or equipment. Any vehicle used in the transportation of students must comply with State and Federal Regulations along with DESE requirements.

4. **Bodily Injury** means:

Physical injury, sickness, disease, disability or death sustained by a person and includes any resulting mental injury, emotional distress or shock; however, **Bodily Injury** does not mean or include emotional distress or mental injury arising out of or related to discrimination (including sexual harassment) or **Wrongful Employment Practices**.

5. **Claim** means:

A demand for civil **Damages** initiated against a **Covered Party** in a legal proceeding that can award those **Damages** (including but not limited to the filing of a suit or initiating arbitration) as a result of an **Occurrence** or a **Wrongful Act**.

6. **Coverage Period** means:

The period of time from the first date and hour stated in the Coverage Summary until the earlier of the last date and hour stated in the Coverage Summary or the date and hour of cancellation of this coverage.

7. **Coverage Territory** means:

Anywhere provided that, with respect to an **Occurrence** or **Wrongful Act** that takes place outside the United States, the liability results from the activities of a **Covered Person** temporarily out of the United States on **Member** business and the **Covered Party's** liability to pay **Damages** is determined in a suit brought in the United States (including its territories and possessions) or Canada, or in a settlement to which we agree.

8. **Covered Organization** means:

- a. the **Member**;
- b. any not-for-profit organization or public entity over which the school board or other governing body of the **Member** exerts effective control;
- c. any not-for-profit or public entity acquired or formed by or merged with the **Member** during the **Coverage Period** provided the combined or consolidated operations are not materially different from those of the **Member** prior to the acquisition, formation or merger; and such additional premium as we may require is paid by the **Member**;
- d. any subsidiary, affiliate or related entity of the **Member** listed on Schedule A of this Coverage Agreement; and
- e. with respect to Coverage A only, any organization to whom the **Member** is obligated by virtue of a written contract or agreement to provide liability insurance for **Bodily Injury** or **Property Damage** such as is afforded by this Coverage Agreement. but only (i) to the extent of such obligation, (ii) for operations (other than insurance operations) by or on behalf of, or operation of facilities of, or use of facilities by, the **Member**; and (iii) if the contract or agreement is made prior to a covered **Occurrence**.

9. **Covered Party** means:

Whether in the singular or plural, the **Covered Organizations** and the **Covered Persons** or any of them.

10. **Covered Person** means:

- a. the individual persons who at the time of an **Occurrence** or **Wrongful Act** were or are trustees, elected or appointed members of the Board, or **Officers** of a **Covered Organization** while acting within the scope of their duties or obligations in their respective covered capacities;
- b. at the option of the **Member**, and except as otherwise provided in this definition, any employee, student teacher, teaching assistant or uncompensated volunteer while acting at the direction of or performing services for or on behalf of the **Member** with its knowledge and consent;
- c. with respect to Coverage A only, and except with respect to the operation of an **Automobile**, any student while participating in a supervised internship program, work-study program or nursing program in fulfillment of requirements of his or her educational program;
- d. any person operating an **Automobile** owned, borrowed by, leased by, or rented to the **Member** or is being used on a **Member's** business with its express permission; but **Covered Person** does not mean or include any person or entity (other than the **Member**) operating an **Automobile** repair shop, public garage, sales agency, service station or public parking place; and
- e. an employee, student teacher, teaching assistant or uncompensated volunteer of the **Member** while operating an **Automobile** not owned by, or leased or rented to, the **Member** and used for school district business with the express consent of the **Member**; but such coverage as is provided by this provision shall apply only as excess insurance over any other liability insurance that applies to that employee or to that **Automobile**.
- f. For purposes of Coverage C, any person while using or occupying an auto owned, leased or rented by the **Member**, with **Member's** permission; or any employee while using his or her own vehicle [a vehicle that employee owned, leased, rented or borrowed] on business of the **Member**.
- g. For purposes of Underinsured Motorist Coverage, any person while using or occupying an auto owned, leased or rented by the **Member**, with **Member's** permission; or any employee while using his or her own vehicle [a vehicle that employee owned, leased, rented or borrowed] on business of the **Member**.

#### 11. **Damages** means:

Money compensation that a **Covered Party** becomes legally obligated to pay to an injured party under Coverage A for **Bodily Injury**, **Property Damage**, or **Personal Injury**, or under Coverage B for **Wrongful Acts** to which this Coverage Agreement applies, and includes settlements to which we have consented. For Coverage C, **Damages** means compensation that the owner or operator of an **Uninsured Motor Vehicle** becomes legally obligated to pay to a **Covered Person** for **Bodily Injury**. For Coverage D, **Damages** means compensation that the owner or operator of an **Underinsured Motor Vehicle** becomes legally obligated to pay to a **Covered Person** for **Bodily Injury**. **Damages** does not include:

- a. taxes or fines;
- b. the cost of compliance with injunctive or equitable relief;
- c. any matters uninsurable under the law pursuant to which this Coverage Agreement shall be construed;
- d. under Coverage B, any amount for which a **Covered Party** was already obligated at the time of a **Wrongful Act** including any compensation, consideration or other obligation under the provisions of any contract or agreement or pursuant to any law or regulation with regard to the wages and hours of employment; or the return of grants, gifts, loans or tuition except that for back wages, future wages or pay differential, except that coverage will be provided in an amount limited to \$100,000 per **Wrongful Act** and \$200,000 annual aggregate per **Member**.
- e. punitive, exemplary or multiplied damages or penalties imposed by law; except that:
  - 1) with respect to Coverage B, "penalties imposed by law" does not mean penalties imposed under the Civil Rights Act of 1991 as compensation for discrimination in employment, and
  - 2) punitive damages are covered up to \$200,000 per **Occurrence** or **Wrongful Act**; the coverage applying to the **Member**, its agents, employees and board members while acting within the course and scope of their duties and the \$200,000 limit being subject to and not in

addition to the \$3,000,000 per **Occurrence** limit, and an Annual Aggregate per **Member** regardless of the number of defendants or **Occurrences** or **Wrongful Acts** alleged.

12. **Date of First Coverage** means:

The date and time listed as such in the Coverage Summary.

13. **Deductible** means:

The amount stated as such in the Coverage Summary and is the amount that a **Member** must first pay for **Defense Costs** for each **Claim** under Coverage B with respect to an Individual Educational Placement (IEP) hearing, as provided in Paragraph 22 of this Plan Document.

14. **Defense Costs** means fees and expenses incurred by us or with our consent to investigate and defend civil **Claims** and includes the costs of appeal or similar bonds, and the cost of arbitration, mediation or other alternative dispute resolution process to which the **Covered Party** must submit or has submitted with our consent, but does not include the wages or salary of any of our employees or of any employee of a **Covered Party**, or any fees or expenses incurred by anyone without our prior consent.

15. **Employee Benefits Program** means:

Group life insurance, group accident or health insurance, profit sharing plans, pension or retirement plans, employee stock subscription plans, workers' compensation, unemployment insurance, social security benefits, disability benefits, and any other similar employee benefit plan or program.

16. **Garage Liability** means:

Any **Bodily Injury** or **Property Damage** that is directly or indirectly attributable to the operation, maintenance or repair of an **Automobile** by a **Member**, **Covered Person**, or a student while participating in an automotive technology or repair curriculum.

17. **Interrelated Wrongful Acts** means:

**Wrongful Acts** arising from the same set of operative facts, circumstances, situations, events, transactions or series of facts, circumstances, situations, events or transactions.

18. **Joint Venture** means:

A sharing or a combination of money, efforts, skill or knowledge in a common undertaking, enterprise or activity involving joint control in which the **Member** has an interest.

19. **Limit of Liability** means:

The amounts stated as such in the Coverage Summary, which amounts are the most we will pay as **Damages** with respect to the **Coverage Period**, which amounts apply separately (a) to each **Occurrence** to which Coverage A applies; (b) to each **Claim** and in the aggregate for all **Claims** to which Coverage B applies; (c) to per person and per **Occurrence** to which Coverage C applies; and (d) to per person and per **Occurrence** to which Coverage D applies.

20. **Member** means:

The school district, community college, or other educational entity.

21. **Occurrence** means:

An accident during the **Coverage Period**, an event that first occurs during the **Coverage Period**, or continuous, intermittent or repeated exposure to conditions that commence during the **Coverage Period** that causes **Bodily Injury, Personal Injury, or Property Damage** neither expected nor intended by the **Covered Party**.

For the purpose of this Document:

**Bodily Injury or Property Damage** that results from an act that is intended by the **Covered Party**, or that can be expected from the standpoint of a reasonable person, to cause **Bodily Injury, Personal Injury, or Property Damage**, even if the injury or damage is of a different degree or type than actually intended or expected, is not injury or damage "neither expected nor intended."

**Bodily Injury, Personal Injury, or Property Damage** resulting from the use of reasonable force to protect persons or property, or from the lawful activities of police or security officers in the performance of their duties, shall be deemed "neither expected nor intended."

Any injuries or damages that are attributable directly or indirectly to the same or a continuous or repeated event, condition, cause, defect or hazard, or failure to warn of such, shall be treated as one **Occurrence** regardless of the time period or area over which they occur or the number of them.

Humiliation, defamation or other **Personal Injury** that is continuous or repeated shall be considered a single **Occurrence** and shall be deemed to have occurred at the time of the first of any such continuous or repeated incidents, events, publications, injuries, defamation or humiliation.

All **Bodily Injury or Personal Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, any **Abuse or Molestation Occurrence** or a series of **Related Abuse or Molestation Occurrences** shall be deemed:

- a. To have occurred at the time of the first **Abuse or Molestation Occurrence**;
- b. To be a covered **Occurrence** only if the first **Abuse or Molestation Occurrence** takes place during this **Coverage Period** and within the **Coverage Territory**; and
- c. To be a single **Occurrence**:
  - (1) Whether committed by the same person or by two or more persons acting in concert and without regard to the number of:
    - (a) Acts of **Abuse or Molestation** taking place after the first **Abuse or Molestation Occurrence**;
    - (b) Victims of **Abuse or Molestation**;
    - (c) Locations where the **Abuse or Molestation** took place;
    - (d) **MUSIC Coverage Periods** over which the **Abuse or Molestation** took place; or
    - (e) Breaches of any legal obligation arising out of any **Abuse or Molestation**, or breach of any duty to any person who was abused or molested.
  - (2) With respect to damages for **Bodily Injury or Personal Injury** related to such **Abuse or Molestation**, including any subsequent related **Bodily Injury or Personal Injury**.

For each single **Occurrence**, only a single **Abuse or Molestation** Coverage limit will apply and the applicable limit will be the **Coverage Period** in which the first act of **Abuse or Molestation** takes place.

22. **Officer** means:

Any corporate officer of a **Covered Organization** whether or not an employee; and any Board President, Superintendent, Assistant Superintendent, Principal, Dean or other comparable senior administrator of any **Covered Organization**.

23. **Personal Injury** means:

Injury unintended by the **Covered Party** that a person may suffer to his reputation, character or feelings resulting from false arrest, detention or imprisonment; malicious prosecution; wrongful entry into, or eviction of a person from a room, dwelling or premises a person occupies; libel, slander or other defamation; or humiliation.

24. **Pollutant** means:

Any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance which may, does, or is alleged to affect adversely the environment, property, persons or animals, including bacteria, fungi, spores, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Fungi include, but is not limited to, any form or type of mold, mushroom, or mildew, Spores includes any reproductive body produced by or arising out of fungi. Waste includes materials to be recycled, reconditioned or reclaimed.

25. **Professional Service** means:

Any service that may be lawfully performed only by a person holding a professional license including, without limitation, the practice of law, engineering, architecture, psychotherapy, and medicine and other allied health professions, but does not mean or include teaching or any other educational services provided to students of the **Member** pursuant to teaching certificates or other comparable license issued by a state board of education or state superintendent of instruction to teaching or educational personnel employed by elementary and secondary schools in their state.

16. **Property Damage** means:

Physical injury to or destruction of tangible property including the loss of use of the property if the loss of use results from the physical injury or destruction of the property; loss of use of tangible property which has not been physically injured or destroyed through inverse condemnation or otherwise; and any consequential damage or evacuation loss resulting from any actual or threatened injury or damage to or destruction of tangible property.

27. **Uninsured Motor Vehicle** means:

An **Automobile** as defined in this Document:

1. To which no liability bond or insurance policy applies at the time of the accident;
2. To which there is a liability bond or insurance policy but the company denies coverage or becomes insolvent; or
3. That is a hit-and-run vehicle whose operator or owner cannot be identified and the **Occurrence** is reported to the police or other civil authorities within 24 hours of the **Occurrence**.

28. **Underinsured Motor Vehicle** means:

An **Automobile** as defined in this Document for which the **Limit of Liability** available for **Bodily Injury** under all valid and collectible bonds or liability insurance policies for the vehicle are less than the **Limit of Liability** of this Document.

29. **Watercraft** means:

Any ship or vessel intended to be operated on or beneath the water whether or not self-propelled.

30. **Wrongful Act** means:

Any actual or alleged error, omission, act, misstatement, neglect or breach of duty in the discharge of duties to or on behalf of the **Member** and includes **Wrongful Employment Practices**.

31. **Wrongful Employment Practice** means:

A **Wrongful Act** with respect to its employee or prospective employee by a **Covered Organization** as employer or by a person or entity for whose acts the **Covered Organization** is liable, including wrongful failure to hire, retain or promote; wrongful demotion, termination, discipline or failure to grant due process; or wrongful discrimination in the terms or conditions of employment, including sexual, harassment.

#### LIMIT OF LIABILITY

1. Regardless of the number of **Persons** who sustain injury or damage, number **Covered Parties** involved, **Claims** made or suits brought on account of one or more **Occurrences** or **Wrongful Acts**, the number of injuries or damages, or the period of time over which injuries or damages occur, the amounts stated as such in the Coverage Summary are the most **we** will pay for **Damages** for each **Occurrence** under **Coverage A, C and D** and for each **Claim** to which **Coverage B** applies, subject always to a maximum amount specified as such in the Coverage Summary that **we** will pay in the aggregate with respect to **Coverage B** for all **Claims** first made during the **Coverage Period**.
2. More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the time at which the earliest **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** is first made.
3. For each **Occurrence** or **Wrongful Act**, we are liable for payment under only one Coverage Agreement issued by us, which shall be the Coverage Agreement with the earliest Inception Date, and there shall be no coverage afforded to any **Covered Party** under any other Coverage Agreement issued by **us** with respect to that **Occurrence** or **Wrongful Act**.
4. If any liability arises in any manner whatsoever out of the operations or existence of any **Joint Venture** in which a **Covered Organization** has an interest, our liability to all **Covered Parties** for all **Damages** and **Defense Costs** arising out of any **Occurrence** or **Claim** with respect to that **Joint Venture** shall be limited to the share of those **Damages** and **Defense Costs** equal to the percentage of the **Member's** control over the accident, event or circumstance giving rise to an **Occurrence** or a **Wrongful Act**.
5. **We** will pay on behalf of a **Covered Party** that part of **Damages** that falls within the terms of this Coverage Agreement as soon as practicable after the liability for **Damages** has been finally determined by judgment or by written agreement to which **we** have consented.
6. This Coverage Agreement shall cease to apply and **we** shall have no further obligation to any person or organization after the **Limit of Liability** of the respective Coverage Part has been exhausted by payment of **Damages**.
7. For purposes of **Coverage C**:
  1. The amount stated in the Coverage Summary per person for Uninsured Motorist Coverage is the most **we** will pay for **Damages** for injury to any one **Covered Person** in any one **Occurrence**.

2. The amount stated in the Coverage Summary per **Occurrence** for Uninsured Motorist Coverage is the most **we** will pay for all **Damages** for injuries to any number of **Covered Persons** in any one **Occurrence**.
8. For purposes of **Coverage D**:
1. The amount stated in the Coverage Summary per person for Underinsured Motorist Coverage is the most **we** will pay for **Damages** for injury to any one **Covered Person** in any one **Occurrence**. The per person limit for **Damages** for injury to any one **Covered Person** in any one **Occurrence** shall be reduced by any amounts paid by MUSIC to that **Covered Person** under any other Coverage or Coverage Agreement of this Plan Document, including but not limited to any amounts paid to that **Covered Person** under the Workers Compensation Coverage of this Plan Document.
  2. The amount stated in the Coverage Summary per **Occurrence** for Underinsured Motorist Coverage is the most **we** will pay for all **Damages** for injuries to any number of **Covered Persons** in any one **Occurrence**.

### DEFENSE AND SETTLEMENT

1. **Defense Costs** are in addition to the **Limit of Liability** of this Coverage Agreement, and payment of **Defense Costs** by **us** will not reduce the amount available to pay **Damages**.
2. **We** shall have the right and be given the opportunity to approve in advance defense counsel and to require the **Member** to revoke counsel appointments at **our** discretion.
3. If more than one **Covered Party** is involved in any **Claim**, **we** may in **our** sole discretion decline to appoint or approve separate counsel for any of them unless **we** determine that there is an actual or potential material conflict of interest among them.
4. No **Covered Party** or any person on their behalf shall admit any liability or without **our** prior consent make any payment, propose any settlement, settle any **Claim**, or incur any expense except for amounts for which no payment is sought under this Coverage Agreement.
5. The **Covered Parties** and **we** agree to use **our** best efforts in good faith to reach a fair and equitable allocation of **Damages** and **Defense Costs** between covered and non-covered elements of any **Claim** or suit.
6. As a condition precedent to their rights with respect to any **Occurrence** or **Claim** that may or could involve this Coverage Agreement, the **Covered Parties** shall cooperate with **us** in the investigation and defense of **Occurrences** and **Claims** and furnish **us**, and direct others to furnish **us**, with information that **we** request to evaluate any such **Occurrence**, **Claim**, suit or circumstance.
7. The **Covered Parties** shall immediately notify **us** of any settlement demand made with respect to any **Claim** or **Occurrence**.
8. If the **Covered Parties** or any of them refuse to accept a reasonable settlement **we** negotiate that is acceptable to the plaintiff(s) and wish to contest any **Claim**, suit or judgment or continue any legal proceedings in connection with any matter, then **our** liability with respect to that **Claim**, matter, judgment or proceeding shall not exceed the amount for which it could have been settled including, if applicable, **Defense Costs** incurred by **us** or with **our** consent up to the date of such refusal.
9. At our option **we** may appeal a judgment on behalf of any or all **Covered Parties** at **our** own cost (including disbursements and interest on judgments incidental to the appeal), but in no event shall **our** liability for **Damages** exceed the **Limit of Liability** of this Coverage Agreement and in addition the cost of such appeal.

### EXCLUSIONS

1. This Coverage Agreement does not apply to and **we** are not liable for:

- a. any obligation for which any **Covered Organization** or any entity as its insurer may be held liable for **Bodily Injury** to its employee arising out of the employment relationship or in the course of employment, or under any workers' compensation, unemployment compensation, worker protection act, occupational disease law, disability benefits law, or any similar law;
- b. any liability arising out of rendering or failing to render any **Professional Services**; however
  - 1. this exclusion shall not apply to an **Occurrence** with respect to rendering or failing to render:
    - i. academic, vocational or guidance counseling services, student nursing services, and nursing services within the scope of their nursing license and assigned duties by school nurses employed by the **Member**;
    - ii. any services by students in practicum or internship programs as part of their training while under the direct supervision of nursing or other allied health instructors employed by the **Member** to supervise those students;
    - iii. teaching or instructional services by nurses or allied health professionals employed by the **Member** with respect to, or the direct supervision of students in, any internship or practicum component of the **Member's** instructional program in nursing or allied health; and
  - 2. the limited extension of coverage provided by paragraph 1 of this exclusion does not extend to liability of others or to any liability assumed under contract or agreement that the **Covered Party** would not have in the absence of that contract or agreement;
- c. **Property Damage** to property owned, occupied or rented by or at any time within the care, custody or control of any **Covered Party**; however, this exclusion does not apply with respect to an **Automobile** while on school premises for repair as part of an educational program if the **Covered Organization** has assumed liability for that **Automobile**;
- d. liability arising out of selling or serving alcohol in any circumstance in which any liquor license is required by law;
- e. liability arising out of the ownership, lease, rental, maintenance, sale, operation or entrustment to others of any **Watercraft**; however, this exclusion shall not apply to nonsubmersible **Watercraft** less than 26 feet in length that are not personal **Watercraft** commonly known as jet skis; rowing or sculling shells regardless of length; **Watercraft** chartered with crew for recreational purposes for a period less than twelve hours on a U.S. Coast Guard-approved and commercially-licensed vessel; or to loading or unloading of any **Watercraft** at premises owned, leased or controlled by the **Member**;
- f. liability arising out of the ownership, use, maintenance or operation of any aircraft, except an "**Unmanned Aerial System**" when used for purposes of the educational institution. An "**Unmanned Aerial System**" means a non-human carrying device capable of sustained flights in the atmosphere which complies with all applicable FAA or state regulations for its operations at the time of the **Occurrence**; has a flight weight of 55 pounds or less (flight weight includes the weight of the aircraft itself, fuel and other fluids, payload and any attachments) and is used for research and educational purpose.
 

But "**Unmanned Aerial System**" does not include any rocket or missile.
- g. any liability directly or indirectly resulting from war, invasion, hostile action of foreign enemies, civil war, rebellion, revolution, insurrection, military or usurped power; or confiscation, nationalization, requisition, destruction of or damage to property by or under the order of any government or public or local authority; **Exception:** This exclusion does not apply to any events or conditions occurring in the United States of America, its territories or possessions or Canada;
- h. liability arising out of, related to, or in any way involving asbestos or lead in any form;

- i. liability arising out of the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of **Pollutants** into or upon land, the interior of buildings or any enclosed space or any other real estate, into the atmosphere, or into any watercourse or body of water, whether above or below ground or otherwise into the environment; or any direction, requirement, order, demand or request, whether governmental or other, that any organization or person test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; however, this exclusion does not apply to **Bodily Injury** or **Property Damage** to the property of others resulting from fumes or from a fire that breaks out from where it was intended to be; to **Bodily Injury** that first occurs during the **Coverage Period** that results from chemicals or explosion in a laboratory or other educational facility, chemicals used in the maintenance or cleaning of school facilities, pesticides or herbicides used on athletic fields or grounds or in school facilities of the **Member**, or use of chlorine or other sanitizing or cleaning chemicals in swimming pool operation or maintenance; or to **Property Damage** to property of others resulting from the upset, collision, or overturn of an **Automobile** that is owned, rented or leased by the **Member** and results in a spill of fuel or lubricants used for the operation of that **Automobile**;
- j. liability resulting from the hazardous properties of radioactive or nuclear materials (including source material, special nuclear material and by-product material as those terms are defined in the Atomic Energy Act of 1954 and amendments thereto), nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or uncontrolled and whether such loss be direct or indirect, proximate or remote;

POLLUTION POLICY

A pollution policy has been procured by MUSIC as a part of your benefits as a **Member**; however, the pollution policy (Attachment 1) is coverage distinct from the coverage provided by MUSIC under this Plan Document. The pollution policy is administered by the insurer and the benefits thereunder are determined and paid by the insurer. **Members** are urged to carefully review the terms of the pollution policy and comply with its terms, including Section V.B.-THE INSURED'S DUTIES. Notice to MUSIC is not notice to the insurer. MUSIC cannot waive or alter any of the terms of the pollution policy. MUSIC's approval of services under the limited environmental expense provision has no bearing on the insurer's coverage determination under the policy or its approval of the services. If the **Member** believes it may have a Pollution Incident within the meaning of the pollution policy, the **Member** should notify the insurer as soon as practicable.

- k. any **Claim** barred by the doctrines of sovereign immunity or official immunity (other than attorneys' fees and other litigation expense incurred in defending the **Claim**) and nothing in this Plan Document shall constitute any waiver of whatever kind of the defense of sovereign immunity;
- l. **Property Damage** resulting from earth or soil movement unless it results from an identifiable negligent act of a **Covered Party** during the **Coverage Period** that is the singular and direct cause of that soil or earth movement;
- m. liability arising out of any negligent act, error or omission of a **Covered Party** or of any other person for whose acts a **Covered Party** is legally liable in the operation or **Administration** of any **Employee Benefits Program**, including without limitation liability under the Employee Retirement Income Security Act of 1974, as amended, or any similar federal, state or local law;
- n. any **Claim** seeking injunctive or other non-pecuniary relief, except that **Defense Costs** will be reimbursed up to \$30,000 per **Occurrence** subject to a combined \$60,000 annual aggregate with **Coverage B** and a \$1,000 **Deductible** per **Occurrence**;
- o. any fraudulent, dishonest, malicious, or intentional **Wrongful Act** or omission by a **Covered Party**;
- p. (1) liability of any **Covered Person** who knowingly committed any unlawful act, or who committed or is alleged to have committed any act of **Abuse or Molestation**, or who intentionally caused

damage, harm or injury; or (2) any liability related to or arising out of **Abuse or Molestation** when known to an **Officer** who did not engage in **Abuse or Molestation** but failed to report it to proper authorities when under a legal duty to do so, ;

- q. liability for any **Abuse or Molestation Occurrences** or a series of **Related Abuse or Molestation Occurrences** committed against any present or former employees of, or an applicant for employment with, any **Covered Party**;
  - r. liability for any **Abuse or Molestation Occurrences** or a series of **Related Abuse or Molestation Occurrences** of which any **Covered Party** had prior knowledge;
  - s. punitive or exemplary damages related to or arising out of **Abuse or Molestation** or that part of any award not attributable to actual or compensatory damages, except for the stated \$200,000 per **Occurrence** or **Wrongful Act** limit for Limited Punitive Damages Coverage;
  - t. any liability arising out of the use of diving boards and/or starting blocks at swimming pools that do not meet current national and/or state minimum depth or other applicable safety standards;
  - u. liability arising out of the oral or written publication of material (i) first published prior to the beginning of the **Coverage Period**, (ii) by or at the direction of a **Covered Party** with knowledge of its falsity, or (iii) for which a **Covered Party** has assumed liability in any contract or agreement other than liability that the **Covered Party** would have in the absence of the contract or agreement: or
  - v. any loss, cost or expense of, or the defense of, any criminal proceedings except that upon the request of a **Covered Organization** or **Covered Person** after a final adjudication of innocence for or dismissal of charges against, the **Covered Organization** or **Covered Person**, and in the sole discretion of MUSIC, it may provide reimbursement for legal fees and costs incurred by the **Covered Organization** or **Covered Person** in an amount limited to \$25,000 per **Covered Organization** or **Covered Person** named in the criminal proceeding arising from a single **Occurrence** or **Wrongful Act** with an aggregate limit of \$100,000 for all legal fees and costs per **Occurrence** or **Wrongful Act**.
- Coverage for volunteers does not extend to parents, relatives, friends and students while driving students to or from school, school sponsored events, field trips, or other activities, except for those activities under direct control and expressed consent of the **Member** at their request. This coverage is excess over any other insurance for that vehicle or its occupants.
- w. any criminal act or omission that is intentional within the meaning of any state or federal criminal statute.
2. In addition to the exclusions set out in Paragraph 21 above, **Coverage A** does not apply to **Bodily Injury** to, or any **Claim** by or on behalf of, an employee of a **Covered Organization** arising out of or in the course of employment: or any defamation, humiliation, emotional distress or mental injury, violation of privacy, breach of confidentiality, or other injury to or suffered by an employee or prospective employee of a **Covered Organization** that arises out of **Wrongful Employment Practices**; or any consequential injury to the spouse, child, parent or sibling of that employee.
  3. In addition to the exclusions set out in Paragraph 21 above, **Coverage B** does not apply to:
    - a. any **Claim** already made at the **Date of First Coverage** or any matter, fact or circumstance that, prior to the **Date of First Coverage**, was the subject of prior litigation, court order, settlement agreement, notice to a **Covered Party** of a governmental agency action or investigation including any such notice from the Equal Employment Opportunity Commission, or notice to an insurer under any other liability insurance;
    - b. any circumstance that an **Officer**, prior to the **Date of First Coverage**, had any reasonable basis to believe might lead to a **Claim**;

- c. any illegal or unjust profit, remuneration, gain or economic advantage by any **Covered Party** as a result of a **Wrongful Act** or any demand for the return of funds brought by or on behalf of a government agency or other entity or person;
  - d. any **Claim** brought by or on behalf of a **Covered Organization** or by any entity that is a subsidiary or parent of, under the control of, under common management or control with, or that manages or controls, a **Covered Organization**; or by or on behalf of any partner of or **Joint Venture** participant with a **Covered Organization**;
  - e. insolvency or bankruptcy;
  - f. **Personal Injury** other than defamation, humiliation, violation of the right of privacy, breach of confidentiality or wrongful eviction from a **Member's** premises that arises out of **Wrongful Employment Practices**;
  - g. **Bodily Injury** or **Property Damage**;
  - h. the breach of any written, oral or implied contract or agreement; however, this exclusion does not apply with respect to the actual or alleged breach of an individual employment contract or agreement that is a **Wrongful Employment Practice**;
  - i. assault or battery;
  - j. violation of the Fair Labor Standards Act or any other law, regulation or statute that regulates the wages or hours of employment (except the Equal Pay Act and any retaliation for exercising any rights or duties under any such law).
  - k. any **Claim** seeking injunctive or other non-pecuniary relief, except that **Defense Costs** will be reimbursed up to \$30,000 per **Claim** subject to a combined \$60,000 annual aggregate with **Coverage A** and a \$1,000 **Deductible** per **Claim**;
  - l. the failure to effect or maintain any insurance or bond;
  - m. breach of fiduciary duty, responsibility or obligation imposed by the Employee Retirement Income Security Act (ERISA) or any similar statute or regulation of any governmental body, except that coverage is extended for the errors or omissions of administrative staff of the **Covered Organization**; coverage does not apply to the failure of any insurer, health maintenance organization, preferred provider organization, or third party administrator to pay or provide benefits;
  - n. any **Claim** or actual or alleged **Wrongful Act** arising out of the issuance, management of proceeds or repayment of bonds, notes, equities, securities, annuities or other financial instruments; guarantees of the principal or interest on, or lack of investment gains or incurring of losses with respect to, any such financial instruments; or violation of any state or federal law or regulations adopted pursuant to any such law that involves the purchase, transfer, issuing or sale of any financial instruments;
  - o. fraud or dishonesty;
  - p. the actual or threatened **Abuse or Molestation** by anyone of any person; or the negligent employment, investigation, supervision, reporting to the proper authorities or failure to report, or retention as an employee (including any volunteer employee), of any person for whose conduct a **Covered Party** was liable who engaged in any **Abuse or Molestation**; or
  - q. Any proceeding in a local, state or federal administrative agency, including but not limited to the Equal Employment Opportunity Commission (EEOC), the Office for Civil Rights (OCR), or the Missouri Human Rights Commission (MHRC).
4. Except as provided in this Paragraph 24, **we** shall have no obligation to pay any **Damages** or other

loss, cost or expense arising out of, or to defend, any **Claim** with respect to an Individualized Educational Program (IEP); however, with respect to any such **Claim** and subject to all other provisions of this Plan Document, **we** will pay the **Defense Costs** of any such **Claim** in excess of the **Deductible** amount up to a maximum amount that we are obligated to pay of \$30,000 for each such **Claim**, which amount is part of and not in addition to the **Limit of Liability** of this Coverage Agreement. Any appeal of the Due Process panel decision is considered a derivative of the initial Due Process **Claim** and will be included under and subject to the maximum **Limit of Liability** for that **Claim**.

#### NOTICE OF OCCURRENCE OR CLAIM

1. As a condition precedent to the rights of all Covered Parties:
  - a. with respect to **Coverage A**, if any **Officer** becomes aware of an **Occurrence** reasonably likely to involve this Coverage Agreement, the **Officer**, or the **Member** on behalf of the **Covered Party**, must notify **MUSIC** in writing as soon as practicable, of such **Occurrence** or **Claim** and specifically:
    1. any loss that has a civil trial set within 90 days or notice of any civil suit filed against you; and
    2. regardless of the **Officer**, **Member**, or **Covered Party's** opinion of whether this Plan Document is likely to be involved, any **General Liability** or **Automobile Liability Occurrence** involving:
      - i. Fatality;
      - ii. Major paralytic conditions such as paraplegia or quadriplegia;
      - iii. Second or third degree burns to 25% or more of the body;
      - iv. Amputation;
      - v. Permanent loss or use, or permanent loss of sensation of a major extremity;
      - vi. Head or brain injuries resulting in permanent disorientation, behavior disorders, personality changes, seizures, aphasia, or coma;
      - vii. Loss of sight or hearing
      - viii. Spine or back injury resulting in incontinence of bladder or bowel
      - ix. Sexual misconduct, sexual assault, molestation, or rape; or
      - x. Any **Occurrence** involving multiple injured parties, including those involving students;
  - b. with respect to **Coverage B**, the **Covered Party** against which or whom a **Claim** has been made, or the **Member** on behalf of the **Covered Party**, must give **MUSIC** written notice of any **Claim** as soon as reasonably practicable, but in no case later than 60 days after the end of the **Coverage Period**, and specifically,
    1. any loss that has a civil trial set within 90 days, notice of any civil suit filed against you; and
    2. regardless of the **Member**, or **Covered Party's** opinion of whether this Plan Document is likely to be involved, any school board legal liability lawsuit

- i. Alleging a class action, or
- ii. Seeking **Damages** on behalf of multiple claimant employees.

If during the **Coverage Period** a **Covered Party** first becomes aware of any circumstance that the person or organization believes may give rise to a **Claim** under **Coverage B** and gives **MUSIC** written notice of that circumstance prior to the end of the **Coverage Period**, including the nature of the circumstance, the name of potentially damaged parties, and the manner in which the **Covered Party** first became aware of the circumstance, then any **Claim** subsequently made arising out of that circumstance will be deemed to have been made during the **Coverage Period**.

2. With respect to **Coverage A, Coverage B, Coverage C and Coverage D**, the **Covered Party** must:
  - a. Notify **MUSIC** as soon as practicable in writing
  - b. Provide particulars sufficient to identify the **Insured**, person, persons, or organization involved in the **Claim**, and such reasonably detailed information as we may request
  - c. Promptly forward to us any written demand, notice, summons, complaint, or other process of service received by the insured or its representatives; and
  - d. Cooperate with us and with any claim administrator we designate in the investigation, defense, or settlement of **Claims**.
3. With respect to **Coverage C**, the **Covered Party** must:
  - a. Promptly notify the police if a hit-and-run vehicle is involved within 24 hours.
  - b. Immediately send **MUSIC** copies of the legal papers if a suit is brought.
  - c. Take such action as may be necessary or appropriate to preserve the right to recover damages from any person or organization alleged to be legally responsible for the **Bodily Injury**.
  - d. Join the person or organization alleged to be legally responsible for the **Bodily Injury** as a party defendant in any legal action against **MUSIC**, when requested by **MUSIC**.
4. With respect to **Coverage D**, the **Covered Party** must provide **MUSIC** with written notice if a tentative agreement to settle for the liability limits of the owner or operator of the other vehicle has been reached.
5. Notice to **us** shall be in writing by certified mail (return receipt requested) or (if receipt is acknowledged) by express courier or telecopy delivered to **us** at **Missouri United School Insurance Council, 12444 Powerscourt Drive, Suite 500, St. Louis, MO 63131**.

### GOVERNING LAW AND INTERPRETATION

1. This Plan Document shall be governed by and construed in accordance with the internal laws of the State of Missouri; however, the provisions, stipulations, exclusions, and conditions of this Coverage Agreement are to be construed in an evenhanded fashion between the **Covered Parties** and **us**. Where the language of this Coverage Agreement is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions without regard to authorship of the language and without any presumption or arbitrary interpretation or construction in favor of either party.

### ARBITRATION

1. All disputes that may arise between the **Covered Parties** and **us** in relation to this Coverage Agreement, or for its breach, shall be finally settled by arbitration held according to the Commercial

Arbitration Rules of the American Arbitration Association, by which the **Covered Parties** and **we** agree to be bound. In addition to the Rules governing such arbitration, the parties shall have at their disposal the broadest pre-trial discovery rights as are then available under applicable laws and judicial rules, provided that any disputes between the parties relating to discovery shall be submitted to the arbitration panel for resolution.

2. Unless the parties consent in writing to a lesser number, the arbitration panel shall consist of three (3) arbitrators, the first to be appointed by the **Member** on behalf of the **Covered Parties**, the second to be appointed by us, and the third by the two (2) arbitrators so appointed. The arbitration panel may, for the convenience of the parties and subject always to Paragraph 27, meet or take evidence at any place or places.
3. The award of the arbitration panel may be, alternatively or cumulatively, for monetary damages, an order requiring the performance of obligations under this Coverage Agreement or any other appropriate order or remedy. The arbitration panel shall award reasonable attorney fees and expenses to the prevailing party and shall assign costs of the arbitration to the losing party. Judgment upon any award rendered in the arbitration may be entered by any Court having proper jurisdiction.

### REPRESENTATION

1. Except as respects the giving of Notice of **Occurrence** or **Claim** pursuant to Paragraphs 23 and 24, by acceptance of this Coverage Agreement the **Member** agrees to act on behalf of all **Covered Parties** with respect to all matters under this Coverage Agreement, including without limitation payment of premium, negotiation of the terms of renewal, resolution of disputes, the giving and receiving of notice of cancellation, and the receiving of any return premiums that may become due.
2. Without limitation, in the event there is a dispute among **Covered Parties** as to allocation of the proceeds of this Coverage Agreement among any of them or on their behalf, **we** may pay such proceeds to the **Member**, which agrees to accept such proceeds and to assume responsibility for its allocation among the parties or on their behalf, and **we** shall be discharged from any further responsibility or liability thereunder or otherwise with respect to such proceeds. The **Covered Parties** agree that the **Member** shall so act on their behalf. Notice by certified mail to the **Member** at the last mailing address known by **us** shall constitute notice to all **Covered Parties**.

### WARRANTY

3. In granting coverage in this Coverage Agreement **we** have relied on the information and statements in the written application and accompanying information. The **Member** and its agent signing the application represent and warrant that the statements contained in the written application for coverage are reaffirmed as of the **Date of First Coverage**, are the basis of this Coverage Agreement and are considered as incorporated in and constituting part of this Coverage Agreement.

### DISCOVERY PERIOD - COVERAGE B

4. If **we** cancel this Coverage Agreement or **we** are unable to agree with the **Member** to a renewal at the end of the **Coverage Period**, the **Member** shall have the right, upon payment of additional premium of [200%] of the annual premium for **Coverage B** of this Coverage Agreement, to an extension of the coverage granted by **Coverage B** ("**Discovery Period**") for any **Claim** first made during the [24-month] period after the end of the **Coverage Period** but only for a **Wrongful Act** before the end of the **Coverage Period**; but
  - a. the right to a **Discovery Period** must be exercised by notice to **us** in writing and payment of the additional premium must be made no later than 60 days following the end of the **Coverage Period**;

- b. any **Claim** made during the **Discovery Period** will be treated as a **Claim** made during the **Coverage Period** and is subject to the **Limit of Liability** applicable to the **Coverage Period**;
- c. this Coverage Agreement does not cover any **Claim** that is covered in whole or in part by any policy of insurance that replaces this Coverage Agreement or that succeeds it in time; and
- d. the additional premium will be considered fully earned on the first day of the **Discovery Period**.

### SUBROGATION

In the event of any payment under this Coverage Agreement **we** shall be subrogated to all **Covered Parties'** rights of recovery against any person or organization and at our request the **Covered Parties** shall assist **us** in the enforcement of any right against any person or organization that may be liable to them because of injury or damage to which this coverage applies and shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights and shall do nothing to prejudice such rights.

### ALTERATION AND ASSIGNMENT

- 6. No change in, modification of or assignment of interest under this Coverage Agreement shall be effective except when made by a written endorsement that is signed by our authorized representative.

### INSPECTION

- 7. **We** shall be permitted but **we** are not obligated to inspect a **Covered Organization's** property and operations at any time. Neither our right to make inspections nor the making thereof nor a report thereon shall constitute an undertaking on behalf of or for the benefit of any entity or person to determine or warrant that such property or operations are safe or are in compliance with any law, rule or regulation.

### OTHER COVERAGE OR INSURANCE

- 8. In the event a **Covered Organization (MUSIC Member)** retains the services of any independent person or entity which provides for a fee services for the transportation of students, the **Covered Organization**, as a condition precedent to coverage under this plan shall ensure that at all times such independent person or entity have in effect **Automobile** Liability insurance, the liability and property damage limits of which are equal to or greater than the statutory limits of liability imposed upon the **Covered Organization** pursuant to the legal doctrine of sovereign immunity as set forth in RSMO. 537.610 and 537.615. The **Covered Organization** as a further condition precedent to coverage under this plan shall require any such independent person or entity to furnish a certified copy of the required insurance policy in force, naming the person insured and certifying that the policy may not be cancelled, altered or permitted to lapse or expire without thirty (30) days advance written notice to the **Covered Organization**, and further, such insurance coverage shall name the **Covered Organization** as an additional named insured and shall provide for a waiver of subrogation against the **Covered Organization**.

This paragraph shall not apply to parents, teachers or others who are transporting students in personal vehicles but have not been retained for a fee to do so by the **Covered Organization**.

- 9. This Coverage Agreement shall at all times be excess over any other available coverage (including any insurance naming a **Covered Party** as "additional insured" with respect to **Occurrences** or **Wrongful Acts** covered by this Coverage Agreement (other than insurance that is expressly and specifically excess of the limits of this Coverage Agreement) and nothing in this Coverage Agreement shall be construed to require **us** to contribute with, or subject this coverage to the conditions of, any other coverage agreement or insurance.

10. For purposes of **Coverage C**, this insurance is excess over any other uninsured motorist coverage which applies in the event of a **Claim**. Except as otherwise required by Missouri law, this Uninsured Motorist Coverage shall not be stacked on top of any other Uninsured Motorist Coverage from MUSIC that may be available for a **Claim**, whether said coverage arises under this Plan Document or another Plan Document issued by MUSIC. MUSIC will pay only the single per person limit, or the single per **Occurrence** limit, as set forth in the Coverage Summary for Uninsured Motorist Coverage and in accordance with paragraph 7 of the **Limit of Liability** section of this Combined Liability Coverage Agreement.
  
11. For purposes of **Coverage D**, this insurance is excess over any other underinsured motorist coverage which applies in the event of a **Claim**. This Underinsured Motorist Coverage shall not be stacked on top of any other Underinsured Motorist Coverage from MUSIC that may be available for a **Claim**, whether said coverage arises under this Plan Document or another Plan Document issued by MUSIC. MUSIC will pay only the single per person limit, or the single per **Occurrence** limit, as set forth in the Coverage Summary for Underinsured Motorist Coverage and in accordance with paragraph 8 of the **Limit of Liability** section of this Combined Liability Coverage Agreement.

**MUSIC**

**COVERAGE SUMMARY**

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**Workers' Compensation and Employer's Liability Coverage**

NAMED INSURED: Missouri United School Insurance Council

DOCUMENT PERIOD: 12/31/19-20, 12:01 am

COVERED PARTIES: MUSIC Member

COVERAGE STATES: Missouri

LIMITS OF COVERAGE: Coverage A: Statutory  
Coverage B:  
\$1,000,000 Bodily Injury by Accident - Each Accident  
\$1,000,000 Bodily Injury by Disease – Each  
\$1,000,000 Employee Bodily Injury by Disease - Document Limit

DEDUCTIBLE: None

CANCELLATION, NON-RENEWAL OR MATERIAL MODIFICATION: 90 Days Written Notice  
10 Days for Non-Payment of Premium

COVERAGE INCLUDES:

1. Workers' Compensation
2. Foreign Voluntary Workers' Compensation
3. Employers' Liability
4. Repatriation and Endemic Disease
5. Other States Endorsement
6. Voluntary Compensation

**WORKERS' COMPENSATION COVERAGE****1. COVERAGE:**

- a. This coverage applies to bodily injury by accident or by disease and includes any resultant death. The bodily injury must arise out of and in the course of the injured employee's employment by the Member.
- b. Bodily injury by accident must occur during the period of membership in MUSIC. Bodily injury by disease must be caused by or aggravated by the condition of the worker's employment and the last day of exposure to the conditions causing or aggravating such injury must occur during the period of membership.
- c. MUSIC will pay promptly any benefits due the employee that are required of the Member by the Workers' Compensation law.

**2. MUSIC'S DUTY TO DEFEND:**

MUSIC has the right and duty to defend, at its own expense, any claim, proceeding or suit against the Member for benefits payable under this coverage. MUSIC also has the right to investigate and settle these claims, proceedings and suits. However, MUSIC has no duty to defend if not covered hereunder.

**3. ADDITIONAL COVERAGE:**

MUSIC will also pay, in addition to other amounts payable, the following costs:

- a. Reasonable expenses incurred at MUSIC's request, but not loss of earnings;
- b. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this coverage;
- c. Litigation costs taxed to the Member;
- d. Interest on a judgment as required by law until MUSIC offers the amount due under this coverage; and
- e. Expenses MUSIC incurs.

**4. OTHER INSURANCE:**

MUSIC will not pay more than its share of benefits and costs covered by this coverage and any other. Subject to any limits of liability that may apply, all shares shall be equal until the loss is paid.

**5. PAYMENTS THAT THE MEMBER MUST MAKE:**

The Member is responsible for any payments in excess of the benefits regularly provided by the Workers' Compensation law including those required because of the Member's:

- a. Serious and willful misconduct;
- b. Knowingly employing an employee in violation of law;
- c. Failure to comply with a health or safety law or regulation; or
- d. Discharging, coercing or otherwise discriminating against any employee in violation of the Workers' Compensation law.

**6. MUSIC'S RIGHT TO RECOVER FROM OTHERS:**

MUSIC has the Member's rights, and the rights of persons entitled to the benefits of this coverage, to recover its payments from anyone liable for the injury. The Member will do everything necessary to protect these rights and to help enforce them.

**EMPLOYER'S LIABILITY****1. COVERAGE:**

- a. This coverage applies to bodily injury by accident or by disease and includes any resultant death. The bodily injury must arise out of and in the course of the injured employee's employment by the Member.
- b. Bodily injury by accident must occur during the period of membership in MUSIC. Bodily injury by disease must be caused by or aggravated by the condition of the worker's employment and the last day of exposure to the conditions causing or aggravating such injury must occur during the period of membership.
- c. If the Member is sued, the original suit and any related legal actions must be brought within the United States, its territories or possessions, or Canada.

**2. MUSIC'S OBLIGATIONS:**

MUSIC will pay all sums that the Member becomes legally obligated to pay as damages because of bodily injury to the Member's employees covered hereunder. The damages MUSIC will pay, where recovery is permitted by law, include damages:

- a. For which the Member is liable to a third party by reason of a claim or suit against the Member by that third party to recover the damages claimed against such third party as a result of injury to a Member's employee;
- b. For care and loss of services; and
- c. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

Provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by the Member; and

- d. Because of bodily injury to the Member's employee that arises out of and in the course of employment, claimed against the Member in a capacity other than as an employer.

**3. EXCLUSIONS:**

MUSIC does not cover:

- a. Liability assumed under a contract. This exclusion does not apply to a warranty that the Member's work will be done in a workmanlike manner;
- b. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
- c. Bodily injury to an employee while employed in violation of law with the Member's actual knowledge or the actual knowledge of any executive officer;
- d. Bodily injury intentionally caused or aggravated by the Member:

- e. Damages arising out of the discharge of, coercion of, or discrimination against any employee in violation of law.

**4. MUSIC'S DUTY TO DEFEND:**

MUSIC has the right and duty to defend, at its own expense, any claim, proceeding or suit against the Member for damages payable under this coverage. MUSIC also has the right to investigate and settle these claims, proceedings and suits. However, MUSIC has no duty to defend if not covered hereunder or if the applicable limit of liability is exhausted.

**5. ADDITIONAL COVERAGES:**

MUSIC will also pay, in addition to other amounts payable, the following costs:

- a. Reasonable expenses incurred at MUSIC's request, but not loss of earnings;
- b. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this coverage;
- c. Litigation costs taxed to the Member;
- d. Interest on a judgment as required by law until MUSIC offers the amount due under this coverage; and
- e. Expenses MUSIC incurs.

**6. OTHER INSURANCE:**

MUSIC will not pay more than its share of damages and costs covered by this coverage and any other. Subject to any limits of liability that may apply, all shares shall be equal until the loss is paid.

**7. LIMITS OF LIABILITY:**

The most MUSIC will pay for any one **Occurrence** is \$1,000,000.

**8. MUSIC'S RIGHT TO RECOVER FROM OTHERS:**

MUSIC has the Member's rights to recover its payments from anyone liable for an injury covered hereunder. The Member will do everything necessary to protect these rights and to help enforce them.

- 9. LEGAL ACTION AGAINST MUSIC:** There will be no right of action against MUSIC under this coverage unless the Member has complied with all the terms of this Plan Document and the amount owed by the Member has been determined with MUSIC's consent or by actual trial and final judgment. This coverage does not give anyone the right to add MUSIC as a defendant in an action against the Member to determine the Member's liability.

**CONDITIONS APPLICABLE TO BOTH SECTIONS**

**1. MEMBER'S DUTIES IN CASE OF INJURY:**

- a. Provide for immediate medical and other services required by the Workers' Compensation law;
- b. Provide Gallagher Bassett Services with a completed "First Report of Injury" form within ten days of injury;
- c. Report any serious injury immediately;

- d. Promptly forward all notices, demands and legal papers related to the injury, claim, proceeding or suit;
- e. Cooperate and assist, as may be requested, in the investigation, settlement or defense of any claim, proceeding or suit;
- f. Do nothing after an injury occurs that would interfere with MUSIC's right to recover from others;
- g. Not voluntarily make payments, assume obligations or incur expenses, except at the Member's own cost.

**2. INSPECTION:**

MUSIC shall be permitted, but not obligated to inspect the Member's property or operations at any reasonable time. Neither MUSIC's right to make inspections nor the making of any inspections nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Member or others to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

**MUSIC**  
**COVERAGE SUMMARY**

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**Catastrophic Violent Act Coverage**

NAMED INSURED:	Missouri United School Insurance Council						
DOCUMENT PERIOD:	12/31/19-20, 12:01 am						
COVERED PARTIES:	MUSIC Member						
TERRITORY:	Applies only in the State of Missouri						
LIMITS AND SUBJECTS OF COVERAGE:	<table border="0"> <tr> <td>\$25,000</td> <td>Grief Counselors</td> </tr> <tr> <td>\$25,000</td> <td>Media/Public Relations Expense</td> </tr> <tr> <td>\$200,000</td> <td>Extra Costs/Expenses</td> </tr> </table>	\$25,000	Grief Counselors	\$25,000	Media/Public Relations Expense	\$200,000	Extra Costs/Expenses
\$25,000	Grief Counselors						
\$25,000	Media/Public Relations Expense						
\$200,000	Extra Costs/Expenses						
DEDUCTIBLE:	None						
CANCELLATION, NON-RENEWAL OR MATERIAL MODIFICATION:	None						
COVERED CAUSE OF LOSS:	A Violent Act on school premises must occur. A Violent Act is defined as Bodily Injury or Death, to two or more persons, intentionally and unlawfully caused by a lethal weapon.						
EXCLUSIONS:	<p>Coverage does not apply to:</p> <ol style="list-style-type: none"> <li>1. Any obligation under Workers Compensation law or Employer's Liability</li> <li>2. Aircraft, <b>Automobile</b>, or <b>Watercraft</b> Liability</li> <li>3. Any obligation assumed in a contract</li> <li>4. Any claims that would be covered under any other type of insurance</li> <li>5. Any "pollution" claims of any type</li> <li>6. Any claim for Bodily Injury or Third Party Property Damage</li> <li>7. Any claim for Discrimination, Sexual Harassment or any other employment related practice</li> </ol>						

# ATTACHMENT 1

# ATTACHMENT 2