

Kentucky Association of Counties All Lines Fund Trust
Kentucky's Counties Working Together

Property, Liability and Defense Policy

July 1, 2024 through July 1, 2025

400 Englewood Drive
Frankfort, Kentucky 40601
(502) 223-7667

COVERAGE HAS BEEN PLACED WITH A LIABILITY SELF-INSURANCE GROUP WHICH HAS RECEIVED A CERTIFICATE OF FILING FROM THE COMMONWEALTH OF KENTUCKY. CLAIMS AGAINST GROUP MEMBERS ARE NOT COVERED BY THE KENTUCKY GUARANTY ASSOCIATION.

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The Kentucky Association of Counties All Lines Fund Trust is a self-insurance property and liability program organized by the county governments of Kentucky pursuant to KRS 65.210 et seq. through an Interlocal Cooperation Agreement. A five (5) person Board of Trustees appointed from participating members oversees the program. The Trustees as of July 2023 are:

Orbrey Gritton, Chairman

Anderson County Judge/Executive

Stacy Tapke

Kenton County Attorney

Steve Harmon

Warren County Jailer

Steve Henry

Webster County Judge/Executive

Reagan Taylor

Madison County Judge/Executive

Kentucky Association of Counties

Jim Henderson, Executive Director/CEO

Temple Juett, Director of Insurance and Business

Kris Dunn, Associate Director of Insurance

**To report claims under this policy, please call
1-866-367-5226**

Claims Administrator:

Charles Taylor TPA

P.O. Box 436499

Louisville, Kentucky 40253

Common Policy Conditions

Throughout this Policy the words **you** and **your** refer to the Named **Insured** shown in the Declarations, and any other person or organization qualifying as an **insured** under the Policy. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED of the applicable Coverage Form.

Other words and phrases that appear in **bold** have special meaning. Refer to the DEFINITIONS section of the applicable Coverage Form which shall apply throughout the Policy unless a different definition is specifically provided within a specific coverage provision or section.

All Coverage Forms included in this Policy are subject to the following conditions unless otherwise specified in the specific Coverage Form.

A. Cancellation

1. The Named **Insured** shown in the Declarations may cancel this Policy by delivering to **us** advance written notice of cancellation at least seventy-five (75) days before the effective date of the cancellation.
2. We may cancel this Policy for any reason by mailing or delivering to the Named **Insured** shown in the Declarations written notice of cancellation at least seventy-five (75) days before the effective date of cancellation.
3. **We** will mail or deliver **our** notice to the Named **Insured's** last mailing address known to **us**.
4. The notice of cancellation will state the effective date of the cancellation. The coverage under this Policy will end on that date.
5. If **we** cancel this Policy, **we** will send the Named **Insured** any premium refund due. The refund will be pro rata. If the Named **Insured** cancels, the refund may be less than pro rata, based on the unearned amount computed under the short rate table. Cancellation will be effective even if **we** have not made or offered a refund.

B. Changes

This Policy contains all the agreements between **you** and **us** concerning the insurance afforded. This Policy's terms can be amended or waived only by endorsement issued by **us** and made a part of this Policy. If during the Policy Period the terms and conditions of the reinsurance for this Policy change, other than the limits of the reinsurance, the change will automatically apply to this Policy, so that the coverage provided by this Policy will not be broader than the coverage provided by the reinsurance.

C. Examination of Your Books and Records

We may audit **your** books and records at any time during the Policy Period or within five years after the Policy Period. There is no time limit on auditing **your** books and records with respect to claims under this Policy.

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D. Inspections and Surveys

We may inspect or survey **your** property and operations at any time. **Our** inspections or surveys relate only to insurability and the premiums to be charged. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

E. Premiums

The Named **Insured**:

1. is responsible for the payment of all premiums; and
2. will be the payee for any return premiums.

F. Transfer of Your Rights and Duties Under This Policy

You cannot transfer any legal rights, duties or interest **you** have in this Policy without **our** prior written consent.

G. Long-Term Policy

A long-term Policy is one that ends more than one (1) year from when it begins. If **your** Policy is a long-term Policy and contains aggregate limits or annual accumulation, these limits will automatically be reinstated on July 1 of each year of the Policy Period.

H. Conformity with the Law

If any of the terms of this Policy, or any Coverage Form, Endorsement or other writing that forms a part of it, is in conflict with the statutes of the Commonwealth of Kentucky, the Policy is amended to conform to such statutes.

I. Nonrenewal

1. If **we** elect not to renew this Policy, **we** will mail or deliver written notice of nonrenewal to the Named **Insured** at the last mailing address known to **us**, at least seventy-five (75) days before the expiration date of the Policy Period. If notice is mailed, proof of mailing will be sufficient proof of notice.
2. If the Named **Insured** elects not to renew this Policy, the Named **Insured** shall deliver written notice to **us** of its intent to not renew at least seventy-five (75) days before the expiration date of the Policy Period. Otherwise, **you** shall be deemed to have renewed coverage for the ensuing Policy Period.

J. Concealment, Misrepresentation or Fraud

This entire Policy is void if:

1. **you** have intentionally concealed or misrepresented any material fact or circumstance concerning this insurance; or
2. **you** make any attempt to defraud **us** either before or after a loss.

Willful under-reporting of anything upon which **your** premium is based will be construed as an attempt to defraud **us**.

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K. Notice of Loss or Claim

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

- a. **You** must immediately provide **us** with notice of any occurrence, potential claim, threatened claim, threatened suit and/or suit made or instituted against **you**.
- b. Additionally, **you** must:
 - (1) Assume no obligation, make no payment, settlement or incur no expense without **our** consent, except at the **insured's** own cost.
 - (2) Immediately send **us** copies of any request, demand, order, notice, summons or legal paper received concerning the **claim** or **suit**.
 - (3) Cooperate with **us** in the investigation or settlement of the **claim** or defense against the **suit**.
- c. If a **claim** is made or **suit** is brought against any **insured**, **you** must:
 - (1) Immediately record the specifics of the **claim** or **suit** and the date received; and
 - (2) Notify **us** in writing immediately.
 - (3) Immediately send **us** copies of any legal papers received in connection with the claim or suit;
 - (4) Upon **our** request, assist **us** in obtaining reimbursement in a reasonable manner from any person or organization which may be liable to any insured because of injury or damage to which this insurance may also apply.

L. Sovereign Immunity

No provision of the Policy is intended to, nor shall it constitute a waiver or abrogation of the defense of governmental or sovereign immunity by an **insured**, or of any other right, privilege or defense available to any **insured**. All rights, privileges or defenses of any **insured** are hereby retained and reserved.

M. Bankruptcy

If **you** or **your** estate becomes bankrupt or insolvent, **we** will still be bound by the provisions of the Coverage Form.

N. Legal Action Against Us

You may not bring any **suit** or legal action against **us** unless the terms of this Policy have been complied with. Nor can **suit** be brought against **us** until the amount of a **claim** has been determined. Venue for any **suit** or legal action brought by **you** against **us** or by **us** against **you** concerning **our** duties and obligations to **you** hereunder or otherwise by operation of law shall only be commenced in the courts of the Commonwealth of Kentucky sitting in Franklin County, Kentucky. Any **suit** or legal action brought by **you** against **us** must be commenced within twelve (12) months of the date that the amount of the claim has been determined.

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Nothing in this Policy gives any person or organization the right to join **us** as a party to a **suit** or legal action brought against **you**.

O. Settlement

We may settle any **claim, suit**, or legal action against **you** for which this Policy provides coverage at any time at **our** discretion.

P. Punitive Damages, Attorneys' Fees, and Court Costs

This Policy does not cover and **we** will not pay any judgment or **claim**, or any part thereof, for punitive damages, attorneys' fees, or court costs.

Q. Loss Covered By More Than One Policy or Coverage Form

In the event of a loss that is subject to coverage under this Policy and a policy issued by **us** to another named insured or under more than one coverage form of this Policy, the most **we** will pay shall be the highest limit of liability provided by any single policy or coverage form that provides coverage.

R. Premium Audit

Except as otherwise provided to the contrary in **our** Program Agreement with **you**, and unless specified elsewhere in the specific Coverage Form, the premium for the Coverage Form is a flat annual premium.

S. Arbitration

If a **claim** against any **insured** goes to arbitration, **we** shall be entitled to exercise the **insured's** rights in the choice of arbitrators.

T. Separation of Insureds

Except with respect to the Limit of Insurance, or any rights or duties specifically assigned in the Coverage Form to the first Named **Insured**, the insurance applies:

- a. as if each Named **Insured** were the only Named **Insured**; and
- b. separately to each **insured** against whom a **claim** is made or **suit** is brought.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Throughout this Coverage Form the term **Insured** refers to the named **Insured** shown on the **DECLARATIONS PAGE**, and any other person or organization qualifying as an **Insured** under this Policy.

The words **Company** or **Company's** refer to the Kentucky Association of Counties All Lines Fund and any other entity providing coverage under this Policy to the extent of such coverage provided.

Other words and phrases that appear in **bold** have special meaning. Refer to **DEFINITIONS (SECTION F)**.

No obligation or liability to pay sums or perform acts or services is covered unless provided for under this Policy.

Various provisions in this Policy restrict coverage. Please read the entire Policy carefully to determine the **Insured's** rights and duties and what is and is not covered. Any form that modifies or refers to this Building and Personal Property Coverage Form, modifies or refers to this Policy.

INSURING AGREEMENT - SECTION A

(Company Name, Named Insured and Mailing address are on the Dec Page)

1. **TERRITORY.** This Policy covers **INSURED PROPERTY** in The United States of America and Canada.
2. **POLICY PERIOD.** The **POLICY PERIOD** is set forth on the **DECLARATIONS PAGE**.
3. **INSURANCE PROVIDED.** We will pay for direct physical loss of or damage to **INSURED PROPERTY** at a described premises caused by or resulting from any covered cause of loss. Coverage under this Policy applies to property described on the Statement of Values or covered under the terms and conditions of the **AUTOMATIC COVERAGE (NEWLY ACQUIRED), ERRORS AND OMISSIONS, MISCELLANEOUS UNNAMED PROPERTY, UNSCHEDULED WATERCRAFT, UNSCHEDULED FINE ARTS or UNSCHEDULED WHARVES, PIERS, DOCKS, PILINGS, AND BULKHEADS** provisions, unless otherwise provided.
4. **LIMIT OF LIABILITY.** The Company's maximum Limit of Liability in a single Occurrence regardless of the number of **INSURED PROPERTY** or coverages involved will not exceed the lesser of:
 1. The actual adjusted amount of loss, less applicable deductible(s); or
 2. 125% of the real and personal property values combined, inclusive of property in the open, for the reported Location. Location shall mean each individual line item reported on the latest statement of values on file with the Company. However, this limitation shall not apply to coverages provided within

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this Policy as respects to Property and Time Element coverage extensions where values for such are not reportable including, but not limited to, Demolition and Increased Cost of Construction, Debris Removal, Accounts Receivable, Valuable Papers and Records, Decontamination Expense and Extra Expense, et al., and as further described within this Policy.

3. the amount set forth on the DECLARATIONS PAGE. As used herein, DECLARATIONS PAGE includes any schedule such as a statement of values or "statement on file" that supplements the DECLARATIONS PAGE. The terms and conditions in this Policy, including the coverages further described in PROPERTY DAMAGE - SECTION B, 3. COVERAGE ENHANCEMENTS below and subject to the sublimits stated therein, and the DECLARATIONS PAGE and the Statement of Values constitute the program as a whole for the Insured. The COVERAGE ENHANCEMENTS are a part of, and do not increase, any LIMITS OF LIABILITY of the program.

The Sublimits herein apply on a per **Occurrence** basis, unless otherwise stated.

Each sublimit stated in this policy applies as part of, and not in addition to, the overall policy limit for an occurrence insured hereunder. Each sublimit is the maximum amount potentially recoverable for all insured loss, damage, expense, 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.

If insured under this policy, any sublimit for **Earthquake, Flood** or **Named Storm** is the maximum amount potentially recoverable for all insured loss, damage, expense, time element or other insured interest arising from or relating to such an occurrence. All other Sublimits are a part of, and do not increase the **Earthquake, Flood** or **Named Storm** Sublimit.

Further, if **Flood** occurs in conjunction with a **Named Storm, Earthquake**, the **Flood** sublimit applies within and erodes the sublimit for that windstorm, named storm, named windstorm, earthquake or earth movement. When a Sublimit is shown as applying as an annual aggregate, the Company's maximum limit of liability will not exceed such limit during any POLICY PERIOD regardless of the number of INSURED PROPERTY and coverages involved.

5. **TIME LIMITS.** In addition to the time limits shown elsewhere in this Policy, the following apply:

<u>Time Limit</u>	<u>Description</u>
30 Day Period:	INTERRUPTION BY CIVIL AUTHORITY
30 Day Period:	INGRESS/EGRESS

6. **WAITING PERIOD.** For the purposes of applying **SERVICE INTERRUPTION, INTERRUPTION BY CIVIL AUTHORITY** and **INGRESS/EGRESS** Coverage, the **WAITING PERIOD** is twenty-four (24) hours.

7. **TWO OR MORE DEDUCTIBLES.** In the event of any **Occurrence** resulting in loss or damage insured against under this Policy for which two or more deductibles apply, the total deductible shall not exceed the single largest deductible applicable to the **Occurrence**. However, in any **Occurrence** where loss or damage is caused by more than one peril insured against under this Policy, the **Insured** shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles.

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8. DECLARATIONS PAGE.

- a. A coverage applies if the **DECLARATIONS PAGE** shows (1) an amount; or (2) the word "INCLUDED";
- b. A coverage does not apply if the **DECLARATIONS PAGE** shows (1) a reference to a different form for the "Limit of Insurance" corresponding to the coverage, in which case the referenced form applies; or (2) the words "Not Covered" or "NCD" for the "Limit of Insurance" corresponding to the coverage.
- c. All coverage is subject to any applicable **DEDUCTIBLE**.

9. DEDUCTIBLES. In the case of each loss covered under this Policy, the **Company** will be liable only if the **INSURED** sustains a loss in a single **Occurrence** greater than the applicable **DEDUCTIBLE** listed on the **DECLARATIONS PAGE** or otherwise stated in this Policy.

CONVECTIVE STORM Deductible. As respects the peril of **CONVECTIVE STORM**, the deductible shall be 1% of the value, per the VALUATION clause of the LOSS ADJUSTMENT AND SETTLEMENT section of the Policy, of the **INSURED PROPERTY** as of the date of the loss at the **INSURED PROPERTY** where physical damage occurred and for which the **NAMED INSURED** is making a claim for loss. If the claim as respects Losses from a **CONVECTIVE STORM** involves loss or damage at more than one **INSURED PROPERTY**, the deductible amount shall be calculated separately for each **INSURED PROPERTY** suffering loss or damage and applied separately to the adjusted loss at each **INSURED PROPERTY**.

PROPERTY DAMAGE - SECTION B

This Policy covers property, as described in this Policy, against all risks of direct physical loss or direct physical damage, except as hereinafter excluded, while located as described in this Policy.

1. INSURED PROPERTY

This Policy insures the following property, unless otherwise excluded elsewhere in this Policy, anywhere within the Policy **TERRITORY**, to the extent of the interest of the **Insured** in such property.

- A. Real Property, including but not limited to buildings, remodeling, installations, and construction in which the **Insured** has an insurable interest.
- B. Personal Property:
 - 1) Owned by the **Insured**, including the **Insured**'s interest as a tenant in improvements and betterments. In the event of physical loss or damage, the **Company** agrees to accept and consider the **Insured** as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary;

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- 2) Of officers and employees of the **Insured** at or within 100 feet of an **Insured** building;
- 3) Of others in the **Insured's** custody to the extent the **Insured** is under obligation to keep insured for physical loss or damage insured by this Policy; or
- 4) Of others in the **Insured's** custody to the extent of the **Insured's** legal liability for physical loss or damage to personal property. The **Company** will defend that portion of any suit against the **Insured** that alleges such liability and seeks damages for such insured physical loss or damage. The **Company** may, without prejudice, investigate, negotiate and settle any claim or suit as the **Company** deems expedient.
- 5) **Mobile Equipment, Unmanned Aircraft Systems** and watercraft under 50 feet in length owned, rented, or leased by the **Insured**.

This Policy also insures the interest of contractors and subcontractors in **INSURED PROPERTY** during construction at an **INSURED PROPERTY** to the extent of the **Insured's** legal liability for insured physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any **TIME ELEMENT** coverage provided under this Policy.

2. **PROPERTY EXCLUDED**

This Policy excludes:

- A. Currency, money, precious metal in bullion form, notes, securities or other evidences of debt, money or negotiable instruments.
- B. Land, water or any other substance in or on land; except this exclusion does not apply to loss or damage caused by or resulting from a **Defined Peril** for the following items:
 - 1) Land improvements consisting of landscaping including trees and shrubs, piers, docks, pilings, bulkheads, wharves, piping, fiber optic cable, and retaining walls, but not including any land beneath such property.
 - 2) Pavements, sidewalks and parking lots, at an **INSURED PROPERTY**
 - 3) Athletic Fields including necessary materials, fill, and substrate beneath such fields.
 - 4) Water that is contained within any enclosed tank, piping system or any other processing equipment.
- C. Animals, but not including **ANIMALS** used for the operations of the **Insured**.
- D. Spacecraft, satellites and aircraft except **Unmanned Aircraft Systems**.
- E. Watercraft, but this exclusion shall not apply to scheduled watercraft under 50 feet in length or watercraft covered under the **UNSCHEDULED WATERCRAFT** provisions.

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- F. Vehicles licensed for use on public roads.
- G. Underground mines, mineshafts, wells, watershafts, tunnels, dikes, gates, flumes or caverns or any property within any of the above.
- H. Dams, bridges, roadways and culverts.
- I. Canals, off shore drilling rigs, or reservoirs.
- J. Property sold by the **Insured** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers.
- K. Transmission and distribution lines
- L. Standing timber, growing crops, sod, grass, or greens and tees at golf courses.
- M. Landfill original material (i.e. trash and debris), landfill liners or similar landfill barrier(s), natural or manmade.
- N. Equipment used to produce power or gas primarily for distribution to third parties.
- O. Nuclear reactor power plants including all auxiliary property on the site or any other nuclear reactor installation, any nuclear fuel or raw materials used in the nuclear process at any point in the fuel cycle;
- P. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether **you** can collect on it or not) from that other insurance;

3. COVERAGE ENHANCEMENTS

This Policy includes the following **COVERAGE ENHANCEMENTS** for physical loss or damage insured by this Policy. These **COVERAGE ENHANCEMENTS** [1] apply on a per **Occurrence** basis, unless otherwise stated; [2] are subject to the applicable limits set forth below or **TIME LIMITS** set forth in the **INSURING AGREEMENT - SECTION A, 4. TIME LIMITS** provision of the Policy; [3] will not increase the Policy **LIMIT OF LIABILITY**; and [4] are subject to the Policy provisions, including applicable **EXCLUSIONS** and deductibles, all as shown in this Section and elsewhere in this Policy. When a sublimit is shown as applying as an annual aggregate, the **Company's** maximum limit of liability will not exceed such limit during any policy period regardless of the number of **INSURED PROPERTY** and coverages involved.

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COVERAGE ENHANCEMENTS

LIMITS	DESCRIPTION
\$ 500,000	ACCOUNTS RECEIVABLE
\$ 25,000	ANIMALS
\$1,000,000	AUTOMATIC COVERAGE (NEWLY ACQUIRED BUT UNSCHEDULED)
\$ 10,000	CLAIM PREPARATION FEES AND EXPENSES
\$ 100,000	CONTINGENT TAX REVENUE INTERRUPTION
\$2,500,000	DEBRIS REMOVAL (lesser of 25% of property damage loss or the limit shown)
\$ 500,000	DECONTAMINATION COSTS
\$ 500,000	ELECTRONIC DATA AND MEDIA
\$15,000,000	EQUIPMENT BREAKDOWN, INCLUDING
	SPOILAGE \$ 500,000
	BUSINESS INCOME AND EXTRA EXPENSE \$ 500,000
	EXPEDITING EXPENSE \$ 500,000
	HAZARDOUS SUBSTANCE \$ 500,000
	AMMONIA CONTAMINATION \$ 500,000
	ELECTRONIC DATA AND MEDIA \$ 500,000
	CFC REFRIGERANTS \$ 100,000
\$125,000,000	NON-NEW MADRID ZONE EARTHQUAKE – SUBJECT TO A \$125,000,000 ANNUAL PROGRAM AGGREGATE TO BE SHARED BY ALL KALF MEMBERS FOR INSURED PROPERTY NOT WHOLLY LOCATED WITHIN THE NEW MADRID EARTHQUAKE ZONE AND A MEMBER DEDUCTIBLE EQUAL TO \$25,000 PER OCCURRENCE
\$100,000,000	NEW MADRID ZONE EARTHQUAKE –SUBJECT TO A \$100,000,000 ANNUAL PROGRAM AGGREGATE TO BE SHARED BY ALL KALF MEMBERS FOR INSURED PROPERTY WHOLLY LOCATED WITHIN THE NEW MADRID EARTHQUAKE ZONE AND A MEMBER DEDUCTIBLE EQUAL TO 2% OF THE VALUE OF THE MEMBER’S DAMAGED PROPERTY
\$ 1,000,000	ERRORS AND OMISSIONS, MISCELLANEOUS UNNAMED PROPERTY COMBINED
\$ 250,000	EVACUATION EXPENSE
\$ 500,000	EXPEDITING EXPENSE
\$2,500,000	INCREASED COST OF CONSTRUCTION
\$ 500,000	INSECT, ANIMAL, AND VERMIN DAMAGE TO MOBILE EQUIPMENT

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\$ 250,000	LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL & DISPOSAL- (subject to a \$500,000 annual aggregate)
\$ 100,000	LANDSCAPING, (subject to \$15,000 any one shrub or tree, caused by or resulting from a defined peril)
\$ 500,000	MOLD RESULTING FROM A DEFINED PERIL
\$50,000,000	NAMED STORM
\$ 150,000	PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES OF THE NAMED INSURED WHILE ACTING WITHIN THE SCOPE OF DUTIES ON BEHALF OF THE NAMED INSURED
\$10,000,000	PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS - ANY ONE INSURED PROPERTY
\$ 500,000	TIME ELEMENT COMBINED - INCLUDING BUSINESS INCOME AND CONTINGENT BUSINESS INCOME, EXTRA EXPENSE AND CONTINGENT EXTRA EXPENSE, SERVICE INTERRUPTION, LEASEHOLD INTEREST, RENTAL INSURANCE, INTERRUPTION BY CIVIL AUTHORITY AND INGRESS/EGRESS
\$ 500,000	PROPERTY IN TRANSIT - PROPERTY DAMAGE AND TIME ELEMENT COMBINED – PER CONVEYANCE
\$ 1,000,000	WATER BACKUP
\$ 500,000	UNSCHEDULED FINE ARTS – SUBJECT TO A MAXIMUM OF \$250,000 PER ITEM
\$ 50,000	UNSCHEDULED WATERCRAFT
\$ 250,000	UNSCHEDULED WHARVES, PIERS, DOCKS, PILINGS, AND BULKHEADS
\$ 100,000	UPGRADE TO GREEN
\$ 500,000	VALUABLE PAPERS AND RECORDS

A. ACCOUNTS RECEIVABLE

This Policy covers any shortage in the collection of accounts receivable, resulting from **Insured** physical loss or damage to accounts receivable records while anywhere within the Policy **TERRITORY**, including while in **TRANSIT**. The **Company** will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on **Normal** credit losses on bad debts will be deducted in determining the recovery.

- 1) In the event of loss to accounts receivable records, the **Insured** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
- 2) The **Insured** agrees to use any suitable property or service:
 - a. Owned or controlled by the **Insured**; or

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b. obtainable from other sources;

in reducing the loss under this **COVERAGE ENHANCEMENT**.

- 3) This Policy covers any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.
- 4) If it is possible to reconstruct accounts receivable records so that no shortage is sustained, the **Company** will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance.
- 5) **ACCOUNTS RECEIVABLE EXCLUSIONS**: The following exclusions are in addition to the **EXCLUSIONS** clause of this Section:

This **COVERAGE ENHANCEMENT** does not insure against shortage resulting from:

- a. Bookkeeping, accounting or billing errors or omissions; or
 - b. Alteration, falsification, manipulation, concealment, destruction or disposal of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.
- 6) The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by the **Insured** on outstanding accounts receivable on the date of loss will belong and be paid to the **Company** up to the amount of loss paid by the **Company**. All recoveries exceeding the amount paid will belong to the **Insured**.

B. ANIMALS

This Policy covers **Insured** physical loss or damage to **ANIMALS** used for the operations of the **Insured**.

As respects **ANIMALS**, the following additional exclusions apply:

This Policy excludes the following unless directly resulting from other physical damage not excluded by this Policy:

- 1) Death, destruction, or injury from natural causes
- 2) Escape
- 3) Sickness, disease, infection, infestation or illness
- 4) Error or omission in processing and/or failure on the part of the **Insured** to provide nourishment, medicine or sanitary conditions
- 5) Contamination of animals, food or medicine

C. AUTOMATIC COVERAGE (NEWLY ACQUIRED)

This Policy covers **INSURED PROPERTY** rented, leased, purchased, or newly constructed by the **Insured** after the inception date of this Policy within the Policy **TERRITORY**.

This Additional Coverage does not apply to property **Insured** in whole or in part by any other insurance policy.

This coverage will apply until the date the **INSURED PROPERTY** is reported to the **Company** or 120 days from the date of acquisition, whichever comes first.

D. BRANDS AND LABELS

If branded or labeled property **Insured** by this Policy is physically damaged and the **Company** elects to take all or any part of that property, the **Insured** may at the **Company's** expense:

1) Stamp "salvage" on the property or its containers; or

2) Remove or obliterate the brands or labels;

if doing so will not damage the property. In either event, the **Insured** must relabel such property or its containers to be in compliance with any applicable law.

E. CLAIM PREPARATION FEES AND EXPENSES

This Policy covers the actual costs incurred by the **Insured**, of reasonable fees payable to the **Insured's** accountants, architects, auditors, engineers, or other professionals for producing and certifying any particulars or details contained in the **Insured's** books or documents, or such other proofs, information or evidence required by the **Company** resulting from insured loss payable under this Policy for which the **Company** has accepted liability.

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.

F. CONSEQUENTIAL REDUCTION IN VALUE

This Policy covers the reduction in value of insured merchandise that is a part of pairs, sets or components, directly resulting from physical loss or damage insured by this Policy to other insured parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the **Insured** will surrender the undamaged parts of such merchandise to the **Company**.

G. DEBRIS REMOVAL

This Policy covers the reasonable and necessary costs incurred to remove debris from **INSURED PROPERTY** that remains as a direct result of physical loss or damage insured by this Policy.

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This **COVERAGE ENHANCEMENT** does not cover the costs of removal of:

- 1) Contaminated uninsured property; or
- 2) The contaminant in or on uninsured property;

whether or not the contamination results from insured physical loss or damage. Contamination includes, but is not limited to, the presence of **Pollution** or hazardous material.

H. DECONTAMINATION COSTS

If **INSURED PROPERTY** is contaminated as a direct result of physical damage insured by this Policy and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of **Pollution** or hazardous material, then this Policy covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated **INSURED PROPERTY** in a manner to satisfy such law or ordinance. This **COVERAGE ENHANCEMENT** applies only to that part of **INSURED PROPERTY** so contaminated as a direct result of insured physical damage.

The **Company** is not liable for the costs required for removing contaminated uninsured property nor the contaminant therein or thereon, whether or not the contamination results from an insured event.

I. EARTH MOVEMENT

This Policy covers physical loss or damage caused by or resulting from **Earth Movement**.

J. ELECTRONIC DATA AND MEDIA

This Policy covers physical loss or damage to **Electronic Data and Media** while anywhere within the Policy **TERRITORY**, including while in transit.

- 1) This **COVERAGE ENHANCEMENT** excludes loss or damage to:
 - a. Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Company**;
 - b. Currency, money or securities;
 - c. Property held as samples or for sale or for delivery after sale, and
- 2) **ELECTRONIC DATA AND MEDIA EXCLUSIONS**: In addition, as respects **ELECTRONIC DATA AND MEDIA**, the following additional exclusions apply:

This Policy does not insure:

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- a. Errors or omissions in processing, programming or copying unless physical damage not excluded by this Policy results, in which event, this coverage will insure only such resulting damage.
- b. Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will insure only such resulting damage.

K. EQUIPMENT BREAKDOWN

This Policy covers the peril of **Breakdown of Covered Equipment** to the extent set forth in the **Equipment Breakdown Endorsement** to this Policy and subject to the limits set forth in this section.

L. ERRORS AND OMISSIONS

If physical loss or damage is not payable under this Policy solely due to an error or unintentional omission:

- 1) In the description of where **INSURED PROPERTY** is physically located;
- 2) To include any **INSURED PROPERTY**:
 - a. Owned, rented or leased by the **Insured** on the effective date of this Policy; or
 - b. Purchased, rented or leased by the **Insured** during the term of this Policy; or
- 3) That results in cancellation of the property insured under this Policy;

This Policy covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this **COVERAGE ENHANCEMENT** that any error or unintentional omission be reported by the **Insured** to the **Company** when discovered and corrected and any additional premium be paid.

M. EXPEDITING EXPENSE

This Policy covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to **INSURED PROPERTY** and to expedite the permanent repair or replacement of such damaged property.

This **COVERAGE ENHANCEMENT** does not cover costs:

- 1) Recoverable elsewhere in this Policy; or

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- 2) Of permanent repair or replacement of damaged property.

N. FINE ARTS

This Policy covers physical loss or damage to **FINE ARTS** articles while anywhere within the Policy **TERRITORY**, including while in **TRANSIT**.

- 1) This **COVERAGE ENHANCEMENT** excludes loss or damage if the **FINE ARTS** cannot be replaced with other of like kind and quality.
- 2) **FINE ARTS** Exclusion: The **EXCLUSIONS** in the **EXCLUSIONS** clause of this Section do not apply to **FINE ARTS** coverage except for: A.1), A.2), B.1), B.2), B.3)a and B.4). In addition, as respects **FINE ARTS**, the following **EXCLUSIONS** apply:

This Policy does not insure against:

- a. Deterioration, wear and tear, or inherent vice;
- b. Loss or damage from any repairing, restoration or retouching process.

O. FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES

This Policy covers the following expenses resulting from a covered loss:

- 1) fire brigade charges and any extinguishing expenses which the **Insured** incurs;
- 2) loss and disposal of fire extinguishing materials expended.

P. FLOOD

This Policy covers physical loss or damage caused by or resulting from **Flood** subject to the limits set forth on the **DECLARATIONS PAGE**.

Q. INCREASED COST OF CONSTRUCTION

- 1) This Policy covers the reasonable and necessary costs incurred, described in Item 3) below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures, provided:
 - a. Such law or ordinance is in force on the date of insured physical loss or damage; and
 - b. Its enforcement is a direct result of such insured physical loss or damage; and
- 2) This **COVERAGE ENHANCEMENT** does not cover any loss due to any law or ordinance with which the **Insured** should have complied before the loss.
- 3) This **COVERAGE ENHANCEMENT**, as respects the property **Insured** in Item 1) above,

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covers:

- a. The cost to repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and
- b. The cost:
 - (i) to demolish the physically undamaged portion of such property insured; and
 - (ii) to rebuild it with materials and in a manner to satisfy such law or ordinance;

to the extent that such costs result when the total demolition of the physically damaged **INSURED PROPERTY** is required to satisfy such law or ordinance.

- 4) This **COVERAGE ENHANCEMENT** excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of contamination including but not limited to the presence of **Pollution** or hazardous material.
- 5) The **Company's** maximum liability for this **COVERAGE ENHANCEMENT** at each **INSURED PROPERTY** in any **Occurrence** will not exceed the actual cost incurred in demolishing the physically undamaged portion of the property insured in Item 1 above plus the lesser of:
 - a. The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or
 - b. The cost of rebuilding on the same site.

R. LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL & DISPOSAL

This Policy covers the reasonable and necessary cost for the cleanup, removal and disposal of contaminants or pollutants from uninsured property consisting of land, including water or any other substance in land, and water on land, at the **INSURED PROPERTY** if the release, discharge or dispersal of contaminants or pollutants is a direct result of insured physical loss or damage to **INSURED PROPERTY**.

This Policy does not cover the cost to cleanup, remove and dispose of contaminants or pollutants from such property:

- 1) At any **INSURED PROPERTY** for personal property only; or
- 2) When the **Insured** fails to give written notice of loss to the **Company** within 180 days after inception of the loss.

S. MISCELLANEOUS UNNAMED PROPERTY

This Policy covers the **Insured's** interest in covered property within the Policy **TERRITORY** which is not specifically on file, identified, or scheduled by the Insurer. No coverage is provided under this provision on property while waterborne.

This provision does not cover any property insured or excluded under any other item of this policy.

T. PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS

This Policy covers projects in the course of construction.

This **COVERAGE ENHANCEMENT** also covers the necessary **Soft Costs**.

U. PROTECTION AND PRESERVATION OF PROPERTY

This Policy covers:

- 1) Reasonable and necessary costs incurred for actions to temporarily protect or preserve **INSURED PROPERTY**, provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such **INSURED PROPERTY**.

- 2) Reasonable and necessary includes, but is not limited to:
 - a. Fire department fire-fighting charges imposed as a result of responding to a fire in, on or exposing the **INSURED PROPERTY**;
 - b. Costs incurred of restoring and recharging fire protection systems following an insured loss; and
 - c. Costs incurred for the water used for fighting a fire in, on or exposing the **INSURED PROPERTY**.

This **COVERAGE ENHANCEMENT** is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

V. SERVICE INTERRUPTION PROPERTY DAMAGE

- 1) This Policy covers physical loss or damage to **INSURED PROPERTY** when such physical loss or damage results from the interruption of the specified incoming or outgoing services consisting of electricity, telecommunications, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type insured against to real and personal property of the type covered to the facilities of the supplier of such service located within the Policy **TERRITORY**, that immediately prevents in whole or in part the delivery of such usable service.

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- 2) This **COVERAGE ENHANCEMENT** will apply when the **Period of SERVICE INTERRUPTION** is in excess of the time shown as the **WAITING PERIOD** in the **WAITING PERIOD** clause of the **INSURING AGREEMENT - SECTION A**.
- 3) Additional General Provisions:
 - a. The **Insured** will immediately notify the suppliers of services of any interruption of such services.
 - b. The **Company** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Insured** to comply with the terms and conditions of any contracts the **Insured** has for the supply of such specified services.

W. TERRORISM

This Policy covers physical loss or damage caused by or resulting from **Terrorism**.

X. TRANSIT

- 1) This Policy covers the following **INSURED PROPERTY** within the Policy **TERRITORY**, except as excluded by this Policy, while in **TRANSIT**:
 - a. Owned by the **Insured** within the Policy **TERRITORY**.
 - b. Shipped to customers under F.O. B., C & F or similar terms. The **Insured's** contingent interest in such shipments is admitted.
 - c. Of others in the actual or constructive custody of the **Insured** to the extent of the **Insured's** interest or legal liability.
 - d. Of others sold by the **Insured** that the **Insured** has agreed prior to the loss to insure during course of delivery.
- 2) This **COVERAGE ENHANCEMENT** excludes:
 - a. Samples in the custody of salespeople or selling agents.
 - b. Property insured under import or export ocean marine insurance.
 - a. Waterborne shipments, unless:
 - i) by inland water; or
 - ii) by coastal shipments.
 - d. Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.

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- e. Property of others, including the **Insured's** legal liability for it, hauled on **Vehicles** owned, leased or operated by the **Insured** when acting as a common or contract carrier.
- f. Any transporting **Vehicle**.
- g. Property shipped between continents, except by land or air between Europe and Asia.

3) Coverage Attachment and Duration

- a. This **COVERAGE ENHANCEMENT** covers from the time the property leaves the original point of shipment for transit until the property arrives at destination.
- b. However, coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.

4) This **COVERAGE ENHANCEMENT**:

- a. Covers general average and salvage charges on shipments covered while waterborne.
- b. Insures physical loss or damage caused by or resulting from:
 - i) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts;
 - ii) Improper parties having gained possession of property through fraud or deceit.

5) Additional General Provisions:

- a. This **COVERAGE ENHANCEMENT** will not inure directly or indirectly to the benefit of any carrier or bailee.
- b. The **Insured** has permission, without prejudicing this insurance, to accept:
 - i) Ordinary bills of lading used by carriers;
 - ii) Released bills of lading;
 - iii) Undervalued bills of lading; and
 - iv) Shipping or messenger receipts.
- c. The **Insured** may waive subrogation against railroads under sidetrack agreements.

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Except as otherwise stated, the **Insured** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

Y. VALUABLE PAPERS AND RECORDS

This Policy covers physical loss or damage to **Valuable Papers and Records** while anywhere within the Policy **TERRITORY**, including while in **TRANSIT**.

- 1) This **COVERAGE ENHANCEMENT** excludes loss or damage to:
 - a. Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Company**;
 - b. Currency, money or securities;
 - c. Property held as samples or for sale or for delivery after sale, and
- 2) **VALUABLE PAPERS AND RECORDS EXCLUSIONS**: The exclusions in the **EXCLUSIONS** clause of this Section do not apply to **VALUABLE PAPERS AND RECORDS** coverage except for: A.1) and B.1) to B.4). In addition, as respects **VALUABLE PAPERS AND RECORDS** the following **EXCLUSIONS** apply:

This Policy does not insure:

- a. Errors or omissions in processing, programming or copying unless physical damage not excluded by this Policy results, in which event, this coverage will insure only such resulting damage.
- b. Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will insure only such resulting damage.

4. EXCLUSIONS

The following **EXCLUSIONS** apply unless specifically stated elsewhere in this Policy.

A. This Policy excludes:

- 1) Indirect or remote loss or damage.
- 2) Interruption of business; except to the extent provided by this Policy.
- 3) Loss of market or loss of use.
- 4) Loss or damage or deterioration arising from any delay.

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- 5) Mysterious disappearance, loss or shortage disclosed on taking inventory for which the loss can be proven solely on the inventory records, or any unexplained loss.
 - 6) Loss from enforcement of any law or ordinance:
 - a. Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - b. Requiring the demolition of any property, including the cost in removing its debris;except as provided by the **DEBRIS REMOVAL, DECONTAMINATION COSTS and INCREASED COST OF CONSTRUCTION** coverages of the **PROPERTY DAMAGE - SECTION B** of this Policy.
 - 7) Loss from the accumulated effects of smog, smoke, vapor, liquid or dust.
- B. This Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:
- 1) Nuclear reaction or nuclear radiation or radioactive contamination. However:
 - a. If physical damage by fire or sprinkler leakage results, then only that resulting damage is insured; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.
 - b. This Policy does insure physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the **INSURED PROPERTY**, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the **INSURED PROPERTY**.
 - 2) a. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:
 - (i) Government or sovereign power (de jure or de facto);
 - (ii) Military, naval or air force; or
 - (iii) Agent or authority of any party specified in (i) or (ii) above.
 - b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
 - c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

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- d. Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
 - e. Risks of contraband, or illegal transportation or trade.
- 3) Any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
- a. By an **Insured** or any proprietor, partner, director, trustee, officer, or employee of an **Insured**; or
 - b. By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by an **Insured** to do anything in connection with property insured under this Policy.

This Policy does insure acts of direct insured physical damage intentionally caused by an employee of an **Insured** or any individual specified in b. above, and done without the knowledge of the **Insured**. In no event does this Policy cover loss by theft by any individual specified in a. or b. above.

- 4) Lack of the following services:
- a) incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;
 - b) incoming or outgoing sewerage;
 - c) incoming or outgoing telecommunications;

all when caused by an **Occurrence** off the **INSURED PROPERTY**, except as provided in **SERVICE INTERRUPTION** provisions in **PROPERTY DAMAGE - SECTION B** or **TIME ELEMENT** provisions of this Policy. But, if the lack of such a service directly causes physical damage insured by this Policy on the **INSURED PROPERTY**, then only that resulting damage is insured.

- 5) The unlawful possession, use, release, discharge, dispersal or disposal of any chemical or similar agent or matter regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- C. This Policy excludes the following, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured:
- 1) Faulty workmanship, material, construction or design from any cause.

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- 2) Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
 - 3) Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.
 - 4) Settling, cracking, shrinking, bulging, or expansion of foundations (including any pedestal, pad, platform or other property supporting machinery), floors, pavements, walls, ceilings or roofs.
 - 5) Changes of temperature damage (except to machinery or equipment); or changes in relative humidity damage; all whether atmospheric or not.
 - 6) Insect, animal or vermin damage, except damage to **Mobile Equipment**.
 - 7) Special Hazard Area Flood (Zone A) - Any property located within a **Special Flood Hazard Area** on the **Flood Insurance Rate Map**, or any location within a 100 Year Flood Plain.
- D. This Policy excludes the following unless directly resulting from other physical damage not excluded by this Policy:
- 1) Contamination including but not limited to the presence of **Pollution** or hazardous material.
 - 2) Shrinkage; changes in color, flavor, texture or finish.
 - 3) Asbestos material defects, treatment, abatements or removal.
- E. This Policy excludes the following, but, if physical damage results from a **Defined Peril**, then only that resulting damage is insured.
- 1) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility, including but not limited to **Computer Virus**. **Computer Virus** shall mean a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer Virus** includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.
 - 2) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set.
 - 3) Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the **Insured** to conduct business.
 - 4) The failure of any of the following, whether owned by you or others:
 - (a) Data processing equipment, software, data, or media;

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- (b) Hardware or software based computer operating systems;
- (c) Microprocessors;
- (d) Integrated circuits; or,
- (e) Any other electronic equipment, computerized equipment, or similar devices;

due to the inability of these items to correctly recognize, process, or accept one or more dates or times as their true calendar date or time.

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

TIME ELEMENT - SECTION C

1. LOSS INSURED

- A. This Policy insures **TIME ELEMENT** loss, as provided in the **TIME ELEMENT COVERAGES**, directly resulting from physical loss or damage of the type insured by this Policy:
 - 1) To property described elsewhere in this Policy and not otherwise excluded by this Policy or otherwise limited in the **TIME ELEMENT COVERAGES** below; and
 - 2) Used by the **Insured**, or for which the **Insured** has contracted use; and
 - 3) Located at an **INSURED PROPERTY** or in the case of **PERSONAL PROPERTY** within the Policy **TERRITORY**; and
 - 4) While in **TRANSIT** as provided by this Policy; and
 - 5) During the **PERIOD OF LIABILITY** described in this Section.
- B. This Policy insures **TIME ELEMENT** loss only to the extent it cannot be reduced through:
 - 1) The use of any property or service owned or controlled by the **Insured**;

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- 2) The use of any property or service obtainable from other sources;
- 3) Working extra time or overtime; or
- 4) The use of inventory;

all whether at an **INSURED PROPERTY** or at any other location. The **Company** reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary companies of the **Insured** in determining the **TIME ELEMENT** loss.

- C. This Policy covers expenses reasonably and necessarily incurred by the **Insured** to reduce the loss otherwise payable under this Section of this Policy. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
- D. Except as respects **LEASEHOLD INTEREST**, in determining the amount of loss payable, the **Company** will consider the experience of the business before and after and the probable experience during the **PERIOD OF LIABILITY**.

2. TIME ELEMENT COVERAGES

A. BUSINESS INCOME

1) Measurement of Loss:

- a. The recoverable **BUSINESS INCOME** loss is the actual loss sustained by the **Insured** of the following during the **PERIOD OF LIABILITY**:
 - i) **Gross Earnings** including **Ordinary Payroll**;
 - ii) Less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;
 - iii) Plus all other earnings derived from the operation of the business;
- b. In determining the indemnity payable as the actual loss sustained, the **Company** will consider the continuation of only those **Normal** charges and expenses that would have been earned had no interruption of production or suspension of business operations or services occurred.
- c. There is recovery hereunder only to the extent that the **Insured** is:
 - i) Wholly or partially prevented from producing goods or continuing business operations or services;

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- ii) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
- iii) Unable to continue such operations or services during the **PERIOD OF LIABILITY**;
and
- iv) Able to demonstrate a loss of sales for the services or production prevented.

B. EXTRA EXPENSE

- 1) Measurement of Loss:

The recoverable **EXTRA EXPENSE** loss will be the reasonable and necessary extra costs incurred by the **Insured** of the following during the **PERIOD OF LIABILITY**:

- a. Extra expenses to temporarily continue as nearly **Normal** as practicable the conduct of the **Insured**'s business and
- b. Extra costs of temporarily using property or facilities of the **Insured** or others;

less any value remaining at the end of the **PERIOD OF LIABILITY** for property obtained in connection with the above.

- 2) **EXTRA EXPENSE EXCLUSIONS**: As respects **EXTRA EXPENSE**, the following are also excluded:
- a. Any loss of income.
 - b. Costs that **Normally** would have been incurred in conducting the business during the same period had no physical loss or damage occurred.
 - c. Cost of permanent repair or replacement of property that has been damaged or destroyed.
 - d. Any expense recoverable elsewhere in this Policy.

C. LEASEHOLD INTEREST

- 1) Measurement of Loss: The recoverable **LEASEHOLD INTEREST** loss is as follows:

- a. If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.

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- b. If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the **Lease Interest** for the first three months following the loss; and the **Net Lease Interest** for the remaining unexpired term of the lease.

- 2) **LEASEHOLD INTEREST EXCLUSIONS:** As respects **LEASEHOLD INTEREST, TIME ELEMENT EXCLUSIONS A, B, and C** do not apply and the following applies instead:

This Policy does not insure any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the **Insured** exercising an option to cancel the lease; or from any act or omission of the **Insured** that constitutes a default under the lease.

In addition, there is no coverage for the **Insured's** loss of **LEASEHOLD INTEREST** directly resulting from damage to Personal Property.

D. RENTAL INSURANCE

- 1) **Measurement of Loss:** The recoverable **RENTAL INSURANCE** loss is the actual loss sustained by the **Insured** of the following during the **PERIOD OF LIABILITY:**
 - a. The fair rental value of any portion of the property occupied by the **Insured**;
 - b. The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
 - c. The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;

all not to include noncontinuing charges and expenses.

- 2) **RENTAL INSURANCE EXCLUSIONS:** As respects **RENTAL INSURANCE, TIME ELEMENT EXCLUSION A** does not apply and the following applies instead:

This Policy does not insure any loss of rental income during any period in which the **INSURED PROPERTY** would not have been tenantable for any reason other than an insured loss.

E. CONTINGENT TAX REVENUE INTERRUPTION (EXCLUDING EARTH MOVEMENT, NAMED STORM, AND FLOOD)

This Policy insures against loss resulting directly from necessary interruption of sales, property or other tax revenue collected by or due the **Insured** caused by damage, or destruction by a peril not excluded from this Policy to property which is not operated by the **Insured** and which wholly or partially prevents the generation of revenue for the account of the **Insured**.

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- 1) In the event of such damage or destruction, the **Company** shall be liable, with limitations as indicated, if the following conditions a and b are both met:
 - a. The total revenue is reduced to less than 97.5% of the **Insured's** anticipated revenue had no loss occurred.
 - b. The **Company** shall be liable for the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property, but not limited by the expiration date of this Policy.
- 2) Deductible: Each loss or series of losses arising out of one event at **INSURED PROPERTY** shall be adjusted separately and from the aggregated amount of all such losses 2.50% of the annual revenue value shall be deducted.

3. TIME ELEMENT COVERAGE EXTENSIONS

A. CONTINGENT BUSINESS INTERRUPTION

This Policy covers the actual loss sustained and **EXTRA EXPENSE** incurred by the **Insured** during the **PERIOD OF LIABILITY**:

- 1) Directly resulting from physical loss or damage of the type insured; and
- 2) To property of the type insured,

at direct supplier or customer locations located within the Policy **TERRITORY**.

The term "supplier or customer" does not include any **Company** supplying to or receiving from the **INSURED PROPERTY**, as described elsewhere in this Policy, electricity, fuel, gas, water, steam, refrigeration, sewage or telecommunications.

B. INGRESS/EGRESS

This Policy covers the actual loss sustained and **EXTRA EXPENSE** incurred by the **Insured** due to the necessary interruption of the **Insured's** business due to prevention of ingress to or egress from an **INSURED PROPERTY**, provided that such prevention is a direct result of physical damage of the type insured by this Policy, to the kind of property not excluded by this Policy, and which is located within five (5) statute miles of the **INSURED PROPERTY** incurring loss.

INGRESS/EGRESS EXCLUSIONS: As respects **INGRESS/EGRESS**, the following **EXCLUSIONS** are applicable:

This Policy does not insure loss resulting from:

- 1) lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and telecommunications.

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2) picketing or other action by strikers except for physical damage not excluded by this Policy.

This Policy does not provide coverage under this extension for more than the number of consecutive days shown in the **TIME LIMITS** provision of the **INSURING AGREEMENT - SECTION A**.

C. INTERRUPTION BY CIVIL AUTHORITY

This Policy covers the actual loss sustained and **EXTRA EXPENSE** incurred by the **Insured** during the **PERIOD OF LIABILITY** when access to **INSURED PROPERTY** is specifically prohibited by order of civil authority, provided such order is a direct result of actual loss or damage from a peril covered under this Policy to property of the type **Insured** against under this policy which is located within five (5) statute miles of the **INSURED PROPERTY** to which access is prohibited.

This Policy does not provide coverage under this extension for more than the number of consecutive days shown in the **TIME LIMITS** provision of the **INSURING AGREEMENT - SECTION A**.

D. ON PREMISES SERVICES

This Policy covers the actual loss sustained by the **Insured** during the **PERIOD OF LIABILITY** directly resulting from physical loss or damage of the type insured to the following property located on the **Insured's** premises:

- 1) Electrical and telecommunications equipment.
- 2) Electrical, telecommunications, fuel, gas, water, steam, refrigeration and sewerage transmission lines.

E. EVACUATION EXPENSE

In the case of actual or imminent loss or damage of the type **Insured** against by this policy, or a **Mandatory Evacuation Order**, this Policy will pay the expenses incurred by the **Insured** for the emergency evacuation of patients, inmates, and juvenile detainees from **INSURED PROPERTY**.

Mandatory Evacuation Order means the first public broadcast of a compulsory evacuation made by the responsible civil authority that is specific as to the effective date, time and area affected and which arises out of a peril for which coverage would have been provided if such peril had caused loss or damage to **INSURED PROPERTY**. The **Mandatory Evacuation Order** must commence during the **POLICY PERIOD**. Recommended, advisory, precautionary, or voluntary evacuation is not included in the definition of **Mandatory Evacuation Order**.

This additional coverage does not apply to any expenses incurred for: scheduled evacuation drills, fire or safety drills, or the evacuation of a patient due to a medical condition. This coverage also

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includes expenses incurred to return patients, inmates, and juvenile detainees to **INSURED PROPERTY**.

F. PROTECTION AND PRESERVATION OF PROPERTY – TIME ELEMENT

This Policy covers the Actual loss sustained by the **Insured** for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending physical loss or damage insured by this Policy at such **INSURED PROPERTY**.

This extension is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

G. SERVICE INTERRUPTION TIME ELEMENT

- 1) This Policy covers the actual loss sustained and **EXTRA EXPENSE** incurred by the **Insured** during the **Period of SERVICE INTERRUPTION** at **INSURED PROPERTY** when the loss is caused by the interruption of incoming or outgoing services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type insured against to real and personal property of the type covered to the facilities of the utility supplier of such service located within the Policy **TERRITORY**, that immediately prevents in whole or in part the delivery of such usable services.
- 2) This extension will apply when the **Period of SERVICE INTERRUPTION** is in excess of the time shown as **WAITING PERIOD** in the **WAITING PERIOD** provision of the **INSURING AGREEMENT - SECTION A**.
- 3) Additional General Provisions:
 - a. The **Insured** will immediately notify the suppliers of services of any interruption of such services.
 - b. The **Company** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Insured** to comply with the terms and conditions of any contracts the **Insured** has for the supply of such specified services.

4. PERIOD OF LIABILITY

A. The **PERIOD OF LIABILITY** applying to all **TIME ELEMENT COVERAGES**, except **LEASEHOLD INTEREST** and as shown below, or if otherwise provided under the **TIME ELEMENT COVERAGE EXTENSIONS**, is as follows:

- 1) For building and equipment, the period:
 - a. Starting from the time of physical loss or damage of the type insured against; and

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b. Ending when with due diligence and dispatch the building and equipment could be:

- i) Repaired or replaced; and
- ii) Made ready for operations;

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

c. Not to be limited by the expiration of this Policy.

2) For building and equipment under construction:

- a. The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
- b. Due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.

3) For stock-in-process and mercantile stock, including finished goods not manufactured by the **Insured**, the time required with the exercise of due diligence and dispatch:

- a. To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
- b. To replace physically damaged mercantile stock.

This item does not apply to **RENTAL INSURANCE**.

4) For raw materials and supplies, the period of time:

- a. Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but
- b. Limited to that period for which the damaged raw material and supplies would have supplied operating needs.

5) If water:

- a. Used for any manufacturing purpose, including but not limited to as a raw material or for power;
- b. Stored behind dams or in reservoirs; and

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c. At any **INSURED PROPERTY**;

is released as the result of physical damage of the type insured against under this policy to such dam, reservoir or connected equipment, the **Company's** liability due to inadequate water supply is limited to 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to **RENTAL INSURANCE**.

- 6) For physically damaged exposed film, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to **RENTAL INSURANCE**.

- 7) For physically damaged or destroyed data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, the time to recreate or restore including the time for researching or engineering lost information.

This item does not apply to **RENTAL INSURANCE**.

- 8) If an order of civil authority prohibits access to the **INSURED PROPERTY** and provided such order is the direct result of physical damage of the type **Insured** against under this Policy at the **INSURED PROPERTY** or within 5 statute miles of it, the period of time:
- a. Starting at the time of physical damage; but
 - b. Not to exceed 30 consecutive days.

- B. The **PERIOD OF LIABILITY** does not include any additional time due to the **Insured's** inability to resume operations for any reason, including but not limited to:

- 1) Making changes to equipment.
- 2) Making changes to the buildings or structures except as provided in the **INCREASED COST OF CONSTRUCTION** provision.
- 3) Restaffing or retraining employees.

If two or more **PERIODS OF LIABILITY** apply, such periods will not be cumulative.

5. TIME ELEMENT EXCLUSIONS

In addition to exclusion elsewhere in this Policy, the following **EXCLUSIONS** apply to **TIME ELEMENT** loss:

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This Policy does not insure against:

- A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
 - 1) Physical loss or damage not insured by this Policy on or off the **INSURED PROPERTY**.
 - 2) Planned or rescheduled shutdown.
 - 3) Strikes or other work stoppage.
 - 4) Any other reason other than physical loss or damage insured by this Policy.
- B. Any increase in loss due to:
 - 1) Suspension, cancellation or lapse of any lease, contract, license or orders; or
 - 2) Fines or damages for breach of contract or for late or noncompletion of orders; or
 - 3) For penalties of any nature; or
 - 4) Any other consequential or remote loss.
- C. Any loss resulting from loss or damage to finished goods manufactured by the **Insured**, nor the time required for their reproduction.

LOSS ADJUSTMENT AND SETTLEMENT - SECTION D

1. LOSS ADJUSTMENT/PAYABLE

Loss, if any, will be adjusted with and payable to the Named **Insured** or as may be directed by the Named **Insured**. Additional **Insured** interests will also be included in loss payment as their interests may appear when named as additional named **Insured**, lender, mortgagee and/or loss payee in the Certificates of Insurance on file with the **Company** or named below.

2. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency of the United States of America.

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3. VALUATION

Adjustment of the physical damage loss amount under this Policy will be computed as of the date of loss at the **INSURED PROPERTY**, and for no more than the interest of the **Insured**, subject to the following:

- A. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- B. On finished goods manufactured by the **Insured**, the regular cash selling price at the **INSURED PROPERTY** where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- C. On raw materials, supplies and other merchandise not manufactured by the **Insured**:
 - 1) If repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or
 - 2) If not repaired or replaced, the **Actual Cash Value**
- D. On **FINE ARTS** articles, the lesser of:
 - 1) The reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss;
 - 2) Cost to replace the article;
 - 3) Current market value at the time of the loss; or
 - 4) The value reported for such property on the latest statement of values on file with the Company.

In the event a **FINE ARTS** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the **Company** will be liable for the lesser of the full value of such pair or set or the amount designated on the schedule. The **Insured** agrees to surrender the pair or set to the **Company**.

- E. On **VALUABLE PAPERS AND RECORDS**, and **ELECTRONIC DATA AND MEDIA**:

On data, programs or software stored on electronic, electro-mechanical, or electro-magnetic data processing or production equipment:

- 1) The cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;
- 2) If not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

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F. On all other **VALUABLE PAPERS AND RECORDS**, and **ELECTRONIC DATA AND MEDIA**, the lesser of the following:

- 1) The cost to repair or restore, including the cost to recreate, research and engineer the item to the condition that existed immediately prior to the loss;
- 2) The cost to replace the item.

G. On **Mobile Equipment** and watercraft:

- 1) The cost to repair or replace the owned property with new **Mobile Equipment** or watercraft of like kind and quality at the time of loss, if less than or equal to two years from December 31 of the model year.
- 2) When replacement cost is declared for **Mobile Equipment** or watercraft on the statement of values, loss or damage shall be based on the lesser of the following at the time of loss regardless of age:
 - a. The cost to repair;
 - b. The cost to replace the property with new **Mobile Equipment** or watercraft of like kind and quality;
 - c. The **Actual Cash Value** if not repaired or replaced within two years from the date of loss.
- 3) The lesser of the **Actual Cash Value** at the time of loss or the cost to repair if greater than two years from December 31 of the model year.
- 4) If not repaired or replaced, the **Actual Cash Value**.

H. On historical property, valuation will be based upon the following requirements:

- 1) The Named **Insured** shall provide written notice to the **Company**, which specifically identifies where the property is located, when it was built, its total square footage with an attached appraisal based upon **Reproduction Cost** that was conducted within five (5) years of the effective date of this Policy.
- 2) At the time of loss, the basis of valuation for historical property, when the Named **Insured** has not complied, will be replacement cost as defined in L. below. Where the Named **Insured** has complied with the requirements, the basis of valuation will be **Reproduction Cost**, or, if not replaced, at **Actual Cash Value**.

I. On property in **TRANSIT**:

- 1) Property shipped to or for the account of the **Insured** will be valued at actual invoice to the **Insured**. Included in the value are accrued costs and charges legally due. Charges may include the **Insured's** commission as selling agent.
- 2) Property sold by the **Insured** and shipped to or for the purchaser's account will be valued at the **Insured's** selling invoice amount. Prepaid or advanced freight costs are included.

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- 3) Property not under invoice will be valued at the actual cash market value at the destination point on the date of **Occurrence**, less any charges saved which would have become due and payable upon arrival at destination.

J. On Vacant Property:

- 1) If the building or leased premises has been vacant for a period of more than 90 consecutive days before the loss or damage occurs, the **Company** will not pay for any loss or damage caused by any of the following:
 - a. Vandalism
 - b. Sprinkler leakage
 - c. Building glass breakage
 - d. Water damage
 - e. Theft, or attempted theft
- 2) With respect to direct physical loss or damage, other than from causes listed in 1) a. through 1) e. above, and not otherwise excluded by this policy, the **Company** will reduce the amount the **Company** would otherwise pay for the loss or damage by 15%.

K. On all other property, the loss amount will not exceed the lesser of the following:

- 1) The cost to repair;
- 2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality;
- 3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
- 4) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;
- 5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
- 6) The increased cost of demolition, if any, resulting from loss covered by this Policy, if such property is scheduled for demolition;
- 7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the **Insured's** expense; or
- 8) The **Actual Cash Value** if such property is:

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- a. Useless to the **Insured**; or
 - b. Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.
- 9) Any stated value agreed upon by the **Insured** and the **Company** prior to the date of loss.

The **Insured** may elect not to repair or replace the **Insured** real and/or personal property lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to the **Insured's** operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at an **INSURED PROPERTY** under this Policy. This item does not extend to INCREASED COST OF CONSTRUCTION.

4. LOSS CONDITIONS

A. REQUIREMENTS IN CASE OF LOSS

The **Insured** will:

- 1) Give written notice to the **Company** of any loss as soon as practicable.
- 2) Protect the property from further loss or damage.
- 3) Promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **Actual Cash Value**, replacement value and amount of loss claimed.
- 4) Give a signed and sworn proof of loss to the **Company** within 90 days after the loss, unless that time is extended in writing by the **Company**. The proof of loss must state the knowledge and belief of the **Insured** as to:
 - a. The time and origin of the loss;
 - b. The **Insured's** interest and that of all others in the property;
 - c. The **Actual Cash Value** and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property;
 - d. Any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this Policy; and
 - e. By whom and for what purpose any **INSURED PROPERTY** was occupied on the date of loss, and whether or not it then stood on leased ground.

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- 5) Include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.
- 6) Further, the **Insured** will as often as may be reasonably required:
 - a. Exhibit to any person designated by the **Company** all that remains of any property;
 - b. Submit to examinations under oath by any person designated by the **Company** and sign the written records of examinations; and
 - c. Produce for examination at the request of the **Company**:
 - i) All books of accounts, business records, bills, invoices and other vouchers; or
 - ii) Certified copies if originals are lost;

at such reasonable times and places that may be designated by the **Company** or its representative and permit extracts and machine copies to be made.

B. COMPANY OPTION

The **Company** has the option to take all or any part of damaged personal property at the agreed or appraised value. The **Company** must give notice to the **Insured** of its intention to do so within 30 days after receipt of proof of loss.

C. ABANDONMENT

There may be no abandonment of any property to the **Company**.

D. SUBROGATION

The **Insured** is required to cooperate in any subrogation proceedings. The **Company** may require from the **Insured** an assignment or other transfer of all rights of recovery against any party for loss to the extent of the **Company**'s payment.

The **Company** will not acquire any rights of recovery that the **Insured** has expressly waived prior to a loss in writing, nor will such waiver affect the **Insured**'s rights under this Policy.

Any recovery from subrogation proceedings, less costs incurred by the **Company** in such proceedings, will be payable to the **Insured** in the proportion that the amount of any applicable deductible bears to the entire covered loss amount.

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E. APPRAISAL

The appraisal process is available to determine the value of a covered loss but is not available to determine whether a loss is covered. If the **Insured** and the **Company** fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser, but only after:

- 1) The **Insured** has fully complied with all provisions of this Policy, including **REQUIREMENTS IN CASE OF LOSS**; and
- 2) The **Company** has received a signed and sworn proof of loss from the **Insured**.

Each will notify the other of the appraiser selected within 30 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days the **Insured** and the **Company** shall jointly move to have an umpire selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then identify each item of physical damage or loss and appraise the amount of loss. The appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item, and shall state separately the **Actual Cash Value** and replacement cost value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for **TIME ELEMENT** loss, the amount of loss for each **TIME ELEMENT** coverage of this Policy.

If the appraisers fail to agree, they will submit their differences to the umpire. The Umpire shall review the appraisals prepared by the appraisers selected by the **Insured** and the **Company** and shall inspect the property prior to preparing his appraisal. The appraisers for the **Insured** and the **Company** shall be afforded the opportunity to attend the Umpire's inspection of the property and provide sufficient input to allow the Umpire to understand the nature and reasons for the differences between the appraisals. After inspecting the property and receiving input from the appraisers, the Umpire shall identify each item of physical loss or damage and shall appraise the amount of the loss for each item. The Umpire's appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **Actual Cash Value** and replacement cost value as of the date of the loss. An award agreed to in writing by any two of the three appraisers will determine the amount of loss. The appraisal award is subject to all terms of the coverage document and may be reduced by the application of a deductible called for by the coverage document.

The **Insured** and the **Company** will each:

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

A demand for **APPRAISAL** shall not relieve the **Insured** of its continuing obligation to comply with the terms and conditions of this Policy, including as provided under **REQUIREMENTS IN CASE OF LOSS**.

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The **Company** will not be held to have waived any of its rights by any act relating to **APPRAISAL**.

F. SUIT AGAINST THE COMPANY

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless the following adjudication procedures are satisfied:

- 1) As a condition precedent to filing suit, the **Insured** has fully complied with all the provisions of this Policy, including providing Proof of Loss;
- 2) As a condition precedent to filing suit, the **Insured** must attend at least a one-day mediation before a mutually agreeable mediator, unless this provision is waived by both **Insured** and the **Company**;
- 3) Any suit against the **Company** arising from a claim or loss must be filed within 12 months of the date the **Company** takes its final action with respect to the claim or loss.

If under the insurance laws of Kentucky, such 12 months' limitation is deemed invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.

5. SETTLEMENT OF CLAIMS

The amount of loss, except for **ACCOUNTS RECEIVABLE** coverage, for which the **Company** may be liable will generally be paid within 30 days after:

- A. Proof of loss as described in this Policy is received by the **Company**; and
- B. When a resolution of the amount of loss is made either by:
 - 1) Written agreement between the **Insured** and the **Company**; or
 - 2) The filing with the **Company** of an award as provided in the **APPRAISAL** provisions of this Section.

6. COLLECTION FROM OTHERS

The **Company** will not be liable for any loss to the extent that the **Insured** has collected such loss from others.

7. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a loss occurring which has been ascertained to be **Insured** loss or damage under this Policy and determined by the **Company**'s representatives to be in excess of the applicable Policy **DEDUCTIBLE**, the **Company** will advance mutually agreed upon partial payment(s) on the **Insured** loss

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or damage, subject to the Policy's provisions. To obtain said partial payments, the **Insured** will submit a signed and sworn **Proof of Loss** as described in this Policy, with adequate supporting documentation.

8. JURISDICTION

This Policy will be governed by the Law of the state of Kentucky. Any disputes arising hereunder will be exclusively subject to the jurisdiction of the Franklin Circuit Court in Frankfort, Franklin County, Kentucky.

GENERAL PROVISIONS - SECTION E

1. ADDITIONAL INSURED INTERESTS/CERTIFICATES OF INSURANCE

Any certificate of insurance issued in connection with this Policy shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certificate of insurance, except where any Additional **Insured**(s), Loss Payee(s) or Mortgagee(s) are named pursuant to the Special Provisions of said certificate of insurance. In the event any Additional **Insured**(s) or Loss Payee(s) are so named, this Policy shall be deemed to have been endorsed accordingly, subject to all other terms, conditions and **EXCLUSIONS** stated herein.

2. CANCELLATION

This Policy may be:

- A. Cancelled at any time at the request of the **Insured** by surrendering this Policy to the **Company** or by giving written notice to the **Company** stating when such cancellation will take effect. Cancellation may only take effect after the date **Company** receives the notice of cancellation; or
- B. Cancelled by the **Company** by giving the **Insured** not less than:
 - 1) 90 days written notice of cancellation; or
 - 2) 14 days written notice of cancellation if the **Insured** fails to remit, when due, premium for this Policy; or

Return of any unearned premium will be calculated on the customary short rate basis if the **Insured** cancels and on a pro-rata basis if the **Company** cancels this Policy. Return of any unearned premium will be made by the **Company** as soon as practicable.

3. INSPECTIONS

The **Company**, at all reasonable times, will be permitted, but will not have the duty, to inspect **INSURED PROPERTY**.

The **Company's**:

- A. Right to make inspections;
- B. Making of inspections; or
- C. Analysis, advice or inspection report;

will not constitute an undertaking, on behalf of or for the benefit of the **Insured** or others, to determine or warrant that the **INSURED PROPERTY** is safe or healthful. This **Company** will have no liability to the **Insured** or any other person because of any inspection or failure to inspect.

When the **Company** is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

4. MISREPRESENTATION AND FRAUD

This Policy will be void in entirety if, whether before or after a loss, an **Insured** has:

- A. Willfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of an **Insured**;
- B. Made any attempt to defraud the **Company**; or
- C. Made any false swearing.

5. OTHER INSURANCE

- A. If there is any other insurance that would apply in the absence of this Policy, this Policy will apply only after such insurance whether collectible or not.
- B. In no event will this Policy apply as contributing insurance.
- C. The **Insured** is permitted to have other insurance over any limits or sublimits of liability specified elsewhere in this Policy without prejudice to this Policy. The existence of any such insurance will not reduce any limit or sublimit of liability in this Policy. Any other insurance that would have provided primary coverage in the absence of this Policy will not be considered excess.
- D. The **Insured** is permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of

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liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only after such other insurance has been exhausted.

- E. If this Policy is deemed to contribute with other insurance, the limit of liability applicable at each **INSURED PROPERTY**, for purposes of such contribution with other insurers, will be the latest amount described in this Policy or the latest **INSURED PROPERTY** value on file with the **Company**.

6. POLICY MODIFICATION

This Policy contains all of the agreements between the **Insured** and the **Company** concerning this insurance. The **Insured** and the **Company** may request changes to this Policy. This Policy can be changed only by endorsements issued by the **Company** and made a part of this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not:

- A. Create a waiver, or change any part of this Policy; or
- B. Prevent the **Company** from asserting any rights under the provisions of this Policy.

7. REDUCTION BY LOSS

Claims paid under this Policy will not reduce its limit of liability, except claims paid will reduce any **Policy Year Aggregate Limit of Liability**.

8. SUSPENSION

On discovery of a dangerous condition, this **Company** may immediately suspend **EQUIPMENT BREAKDOWN** insurance on any machine, vessel or part thereof by giving written notice to the **Insured**. The suspended insurance may be reinstated by the **Company**. Any unearned premium resulting from such suspension will be returned by the **Company**.

9. TITLES

The titles in this Policy are only for reference. The titles do not in any way affect the provisions of this Policy.

DEFINITIONS - SECTION F

1. **Actual Cash Value:** the amount it would cost to repair or replace **INSURED PROPERTY**, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.
2. **Convective Storm:** means thunderstorms or a complex of thunderstorms with wind speeds greater than 58 mph as verified by the National Weather Service, including but not limited to other resulting weather

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phenomena such as tornadoes and hail, all regardless of any other cause or event arising from such **Convective Storm**.

However, resulting loss from fire, lightning or Sprinkler Leakage will not be considered to be loss by **Convective Storm** within the terms and conditions of this Policy.

Further, **Convective Storm** does not mean or include any loss defined as **Flood** or **Named Storm** within the terms and conditions of this Policy.

3. **Defined Peril: Earth Movement**, explosion, falling aircraft, fire, **Flood**, hail, lightning, **Named Storm**, smoke, tornado, wind-driven water, and windstorm.

4. **Earthquake**: a shaking or trembling of the earth that is tectonic or seismic in origin.

5. **Earth Movement**: any natural or man-made earth movement including, but not limited to **Earthquake**, landslide, subsidence or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. This definition does not include loss or damage caused by or resulting from storm or water seepage, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, or the collapse of roadways, bridges or sewer drains.

However, physical damage by fire, explosion, or sprinkler leakage resulting from **Earth Movement** will not be considered to be loss by **Earth Movement** within the terms and conditions of this Policy. All **Earth Movement** within a continuous 168 hour period will be considered a single **Earth Movement**; the beginning of such period shall be determined by the **Insured**.

6. **Electronic Data and Media**: all forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.

7. **Federal Emergency Management Agency**: the federal agency under which the National Flood Insurance Program is administered.

8. **Federal Insurance Administration**: the federal entity within the **Federal Emergency Management Agency** that directly administers the National Flood Insurance Program (NFIP).

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

10. **Flood**:

A. A general and temporary condition of partial or complete inundation of normally dry land areas from:

- 1) **Flood**, or rising waters, waves, tide, or tidal water;
- 2) the unusual and rapid accumulation or runoff of surface waters from any source; or,
- 3) mudslide or mud flow caused by accumulation of water on or under the ground.

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- B. the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray therefrom.

However, physical damage by fire, explosion or sprinkler leakage resulting from **Flood** is not considered to be loss by **Flood** within the terms and conditions of this Policy.

All flooding within a continuous 168 hour period will be considered a single **Flood**.

- 11. Flood Insurance Rate Map:** the official map of a community on which the administrator has designated the special hazards area applicable to the community.
- 12. Business Income**
- A. For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or
- B. For mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **Insured**.
- 13. Lease Interest:** the excess rent paid for the same or similar replacement property over actual rent payable plus advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the **Insured's** lease.
- 14. Mobile Equipment:** equipment such as earthmovers, tractors, diggers, farm machinery, forklifts, heavy construction equipment, mobile medical equipment, etc., that, even when self-propelled, are not considered **Vehicles**.
- 15. Named Storm:** all loss or damage occurring during a period of 72 consecutive hours which is caused by or results from a storm or weather disturbance which is named as a Tropical Storm or Hurricane by the National Weather Service or any other recognized meteorological authority. Storm or weather disturbance includes all weather phenomenon associated with or occurring in conjunction with the storm or weather disturbance, including, but not limited to **Flood, Storm Surge**, wind driven rain, wind, hail, sleet, tornadoes, or lightning.
- 16. New Madrid Earthquake Zone:** all territory located within the following Kentucky counties: Ballard, Caldwell, Calloway, Carlisle, Crittenden, Fulton, Graves, Henderson, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, Trigg, Union, and Webster.
- 17. Net Lease Interest:** that sum which placed at 3% interest rate compounded annually would equal the **Lease Interest** (less any amounts otherwise payable hereunder).
- 18. Normal:** the condition that would have existed had no physical loss or damage occurred.
- 19. Occurrence:** any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of

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loss, the **Insured** may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the covered property occurs.

- 20. Ordinary Payroll:** includes the **Insured**'s payroll for all employees except officers, executives, department managers, and employees under contract. It is comprised of, but not limited to, the payroll, benefits paid for the payroll, social security (FICA), union dues paid for the payroll, and workers compensation paid for the payroll.
- 21. Period of SERVICE INTERRUPTION:**
- A. The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the **INSURED PROPERTY** receiving the service could or would have resumed **Normal** operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the **PERIOD OF LIABILITY** provision of this Policy.
 - B. Is limited to only those hours during which the **Insured** would or could have used services(s) if it had been available.
 - C. Does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).
- 22. Pollutant:** shall be any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, vaccines and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 23. Reproduction Cost:** defined as the cost to repair, rebuild or replace with material of like, kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the Property as nearly as possible to its original condition.
- 24. Soft Costs:**
- A. Interest expense;
 - B. General overhead-developer expenses and additional real estate taxes;
 - C. Legal or professional fees;
 - D. Marketing expenses and advertising expenses;
 - E. Refinancing charges;
 - F. Founders fees and miscellaneous operating expenses.
- 25. Special Flood Hazard Area:** the areas of a **Flood Insurance Rate Map** which are identified as Zones A, AO, AH, AI — A30, AE, A99, AR, AR/A, AR/AE, AR/A1 — A30, AR/AH, AR/A0, V, V1-V30, and VE. For purposes of determining which areas qualify as **Special Flood Hazard Areas** as specified above, only those **Flood Insurance Rate Maps** which were in effect at the time of the **Flood** loss shall apply.
- 26. Storm Surge:** water driven inland from coastal waters by high winds and low atmospheric pressure. **Storm Surge** shall not be considered **Flood**.
- 27. Terrorism:** an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put

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the public or any section of the public in fear for such purposes. **Terrorism** shall also include any act which is verified or recognized by the United States Government as an act of **Terrorism**.

28. **Unmanned Aircraft System:** an unmanned aircraft and the equipment necessary for the safe and efficient operation of that aircraft. An unmanned aircraft is a component of an **Unmanned Aircraft System**. An unmanned aircraft is an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft.
29. **Vacant:** containing inadequate contents to perform customary business operations.
30. **Vacant Property:** a building is **Vacant** or unoccupied if less than 10% of the total square footage owned, rented, or leased by the **Insured** is used by the **Insured** to conduct customary operations, excluding common areas such as lobbies and garages. Buildings under construction or renovation shall not be considered **Vacant**.
31. **Valuable Papers and Records:** written, printed or otherwise inscribed documents, securities, and records including but not limited to books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.
32. **Vehicle:** any automobile, truck, van, bus, motorcycle, or other conveyance licensed for use on public roads.
33. **WAITING PERIOD:** the time period where the **Company** shall have no liability for the **TIME ELEMENT** loss when the Period of Recovery applicable to all **TIME ELEMENT** loss is equal to or less than such time period. If, however, the Period of Recovery exceeds such time period then the **Company's** liability for the **TIME ELEMENT** loss shall otherwise apply and the Period of Recovery shall be measured from the inception of the **Occurrence** for which loss is being claimed. The applicable deductible shall then apply.

POLICY CHANGE ENDORSEMENT – Equipment Breakdown – 4 Pages

When an applicable limit for “Boiler & Machinery” (also referred to herein as Equipment Breakdown) is shown on the **DECLARATIONS PAGE**, this endorsement’s intention is to clarify that the peril of **Breakdown** is included for **Covered Equipment**.

1. Limit of Liability:

The most the **Company** will pay for any and all coverages for loss or damage from any **One Breakdown** is the applicable limit of insurance shown for Boiler & Machinery on the **DECLARATIONS PAGE**. This amount also serves as an annual aggregate limit for the policy year.

2. Equipment Breakdown Coverage Extensions:

The limits for coverage extensions are set forth in the **COVERAGE ENHANCEMENTS** Section of the Policy and are part of, not in addition to, the **LIMITS OF LIABILITY** for Boiler and Machinery shown on the **DECLARATIONS PAGE**.

A. **SPOILAGE:**

- 1) This Policy covers the **SPOILAGE** damage to raw materials, property in process or finished products, provided all of the following conditions are met:
 - a) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
 - b) The **Insured** must own or be legally liable under written contract for the raw materials, property in process or finished products; and
 - c) The **SPOILAGE** damage must be due to the lack or excess of power, light, heat, steam or refrigeration.
- 2) This Policy also covers any necessary expenses the **Insured** incurs to reduce the amount of loss under this coverage. The **Company** will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage form.

B. **SERVICE INTERRUPTION:**

This Policy covers loss resulting from the interruption of utility services provided all of the following conditions are met:

- 1) The interruption is the direct result of a **Breakdown to Covered Equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which the **Insured** receives;
- 2) The **Covered Equipment** is used to supply electricity, telecommunication services, air conditioning, heating, gas, fuel, sewer, water, refrigeration, or steam to the **Insured**’s premises; and
- 3) The **Period of SERVICE INTERRUPTION** lasts at least the consecutive period of time shown in Section A. **INSURING AGREEMENT, 5. WAITING PERIOD**. Once this **WAITING PERIOD** is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

C. BUSINESS INCOME AND EXTRA EXPENSE:

- 1) This Policy covers the **Insured's** actual loss of **BUSINESS INCOME AND EXTRA EXPENSE** that results directly from the necessary total or partial interruption of the **Insured's** business caused by a **Breakdown**.
- 2) This Policy also covers any necessary expenses the **Insured** incurs to reduce the amount of loss under this coverage. The **Company** will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- 3) The **Company** will consider the actual experience of the **Insured's** business before the accident and the probable experience the **Insured** would have had without the accident in determining the amount of its payment.
- 4) This coverage continues until the date the damaged property is repaired or replaced.

D. EXPEDITING EXPENSE:

This Policy covers the reasonable and necessary costs incurred to pay for the temporary repair of Insured damage to **Covered Equipment** and to expedite the permanent repair or replacement of such damaged property caused by a **Breakdown**.

This coverage extension does not cover costs:

- 1) Recoverable elsewhere in this Policy; or
- 2) Of permanent repair or replacement of damaged property.

E. HAZARDOUS SUBSTANCE:

This Policy covers any additional expenses incurred by the **Insured** for the clean-up, repair or replacement or disposal of **Covered Equipment** that is damaged, contaminated or polluted by a **Hazardous Substance** caused by a **Breakdown**.

As used here, additional expenses mean the additional cost incurred over and above the amount that the **Company** would have paid had no **Hazardous Substance** been involved with the loss.

F. AMMONIA CONTAMINATION:

This Policy covers the spoilage to **Covered Equipment** contaminated by ammonia, including any salvage expense caused by a **Breakdown**.

G. Water Damage:

This Policy covers the damage to **Covered Equipment** by water including any salvage expenses caused by a **Breakdown**, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

H. Consequential Loss:

The Policy covers the reduction in the value of undamaged **Stock** parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

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I. ELECTRONIC DATA AND MEDIA:

The Policy covers the **Insured**'s cost to research, replace or restore damaged **Electronic Data and Media** including the cost to reprogram instructions used in any computer equipment if the loss is caused by a **Breakdown**.

J. CFC REFRIGERANTS:

This Policy covers the additional cost to repair or replace **Covered Equipment** because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances if the loss is caused by a **Breakdown**. This means the additional expense to do the least expensive of the following:

- 1) Repair 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.

K. Computer Equipment:

This Policy covers direct damage to **Computer Equipment** that is damaged by a **Breakdown** to such equipment.

3. Definitions relating only to this endorsement:

A. **Breakdown** means the direct physical loss resulting from one or more of the following items that causes damage to **Covered Equipment** and necessitates its repair or replacement:

- 1) Failure of pressure or vacuum equipment;
- 2) Mechanical failure including rupture or bursting caused by centrifugal force;
- 3) Electrical failure including arcing;
- 4) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- 5) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- 6) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

Unless such loss or damage is otherwise excluded within the Policy.

Breakdown does not mean or include:

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- 1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- 2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to **Covered Equipment**;
- 3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- 4) Damage to any vacuum tube, gas tube, or brush;
- 5) Damage to any structure or foundation supporting the **Covered Equipment** or any of its parts;
- 6) The functioning of any safety or protective device; or
- 7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

B. Covered Equipment is defined as

- 1) Equipment built to operate under internal pressure or vacuum other than weight of contents;
- 2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
- 3) Communication equipment, and computer equipment.

Covered Equipment does not mean or include any:

- 1) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- 2) Insulating or refractory material, but not excluding the glass lining of any **Covered Equipment**;
- 3) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
- 4) Catalyst;
- 5) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
- 6) Structure, foundation, cabinet or compartment supporting or containing the **Covered Equipment** or part of the **Covered Equipment** including penstock, draft tube or well casing;
- 7) **Vehicle**, aircraft, self-propelled equipment or floating vessel including any **Covered Equipment** that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;

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- 8) Dragline, excavation, or construction equipment including any **Covered Equipment** that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
 - 9) Felt, wire screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement; or
 - 10) Equipment or any part of such equipment manufactured by the **Insured** for sale.
 - 11) Power and gas generation utility equipment.
- C. **Hazardous Substance:** any substance other than ammonia that has been declared to be hazardous to health by a government agency. Ammonia is not considered to be a Hazardous Substance as respects this limitation.
- D. **One Breakdown:** if an initial **Breakdown** causes other **Breakdowns**, all will be considered **One Breakdown**. All **Breakdowns** at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered **One Breakdown**.
- E. **Computer Equipment:** covered property that is electronic computer or other electronic data processing equipment, including media and peripherals used in conjunction with such equipment.
- F. **Stock:** means merchandise held in storage or for sale, raw materials, property in process or finished products including supplies used in their packing or shipping.

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POLICY CHANGE ENDORSEMENT - Upgrade to Green – 5 Pages

It is hereby agreed that the following coverage is added to this Policy.

The coverages and valuation provision provided by this Endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the Policy and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the **Insured's** care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

1. Notwithstanding the VALUATION or **COVERAGE ENHANCEMENTS** Section applicable to specific **INSURED PROPERTY** or perils, if replacement cost valuation applies to real and/or personal property, then the **Company's** liability for loss applicable to this endorsement shall be the cost to repair or replace the covered damaged property, subject to the applicable limit of liability, plus the least of the following amounts:
 - A. The reasonable and necessary amount to upgrade to green the covered damaged property as described in Coverage Section A - Non-LEED® Certified Coverage *or* as described in Coverage Section B - LEED® Certified Coverage, whichever is applicable; or
 - B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade to green; or
 - C. \$100,000 to upgrade to green.

At the **Insured's** sole discretion, the **Insured** may elect not to upgrade to green any or all property for which upgrade to green coverage is provided under this endorsement. In such case, the **Company** will adjust the claim in accordance with the standard provisions of the Policy, as modified by all other applicable endorsements.

Subject to the least of A., B., or C. above, if business interruption coverage is provided as part of this Policy, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade to green the damaged property plus up to an additional two week period to meet the requirements set forth in 4.B.

2. COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE

In the event of direct physical loss or damage by any of the perils covered by the Policy to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the **Company** will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Personal Property

- (1) "Appliances" or "Office Equipment" with products of like kind and quality that have been identified as "ENERGY STAR®" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage

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does not apply.

- (2) "Systems Furniture" or "Seating", with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

B. Loss Settlement for Your Building

i. Interior Finish Materials Upgrade

a. Lower Emissions Products Upgrade Coverage

"Defined Building Materials" with products of like kind and quality that have "Lower Emissions". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

b. Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have "Lower Emissions", are "Sustainably Produced", are "Rapidly Renewable" or include "Recycled Content". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

ii. Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more "Water Efficient". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. For damaged or destroyed faucets, the **Company** will also pay to install occupant sensors to reduce the potable water demand.

iii. Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. The **Company** will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

iv. Efficient Heating and Cooling Equipment Upgrade Coverage

"Heating and cooling equipment" with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

v. Building Reconstruction Following Total Loss

- a.** Solely with respect to a "Total Loss" to a building, the **Company** will pay to replace the building on its existing foundation using the most cost

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effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.

b. Certification Expenses

- (i) The **Company** will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the **Insured** incurs should the **Insured** decide to seek LEED Silver certification. However, the **Company** will not pay to modify the reconstructed structure if it is not certified.
- (ii) The Sublimit of Insurance for this coverage is \$25,000.

3. COVERAGE SECTION B: LEED CERTIFIED COVERAGE

In addition to all Coverages provided in Coverage Section A (with the exception of 2.B.(5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the Policy to a building that is LEED certified at the time of the loss, or to the personal property within such building, the **Company** will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Trees, Shrubs, and Vegetative Roofs

- (1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the Policy to the contrary, trees and shrubs are Covered Property. The sublimit of insurance for this coverage is \$3,000 per tree or \$3,000 per shrub up to a maximum of \$25,000.
- (2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the Policy to the contrary, vegetative roofs are Covered Property.

B. Loss Settlement for Your Building

i. Recertification Expenses

- a. In the event of direct physical loss or damage by any of the perils covered by the Policy that necessitates recertification of the damaged building, the **Company** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Insured** incurs as a result of the recertification process.
- b. The Sublimit of Insurance for this coverage is \$25,000.

ii. Building Reconstruction Following Total Loss

- a. Solely with respect to a "Total Loss" to a building that is LEED certified at the time of the loss, the **Company** will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC Rating System.
- b. **Certification Expenses**
 - The **Company** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Insured** incurs should the **Insured** decide to seek LEED certification. However, the **Company** will not pay to modify the reconstructed structure if it is not certified.
 - The Sublimit of Insurance for this coverage is \$25,000.

4. COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS

In the event of direct physical loss or damage by any of the perils covered by the Policy to a LEED or Non-LEED certified building:

A. Recycling Expenses

- i. The **Company** will pay the **Insured's** expenses to clean-up, sort, segregate, and transport debris from the **Insured's** damaged building to recycling facilities, if such debris can be recycled.
- ii. The Sublimit of Insurance for this coverage is \$25,000 and is in addition to the DEBRIS REMOVAL expense sublimit provided by the Policy, if any.
- iii. Any income or remuneration derived from this recycling shall be used to reduce the loss.

B. Air Testing and Outdoor Air Ventilation of the Reconstructed Space

- i. In accordance with the requirements for the Construction IAQ Management Plan: Before Occupancy Credit as described in the LEED NC rating system (hereinafter, "Construction IAQ"), the **Company** will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality

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standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

- ii. After the two week period of increased outdoor air ventilation of the reconstructed space, the **Company** will pay to replace the filtration media with new media.
- iii. The Sublimit of Insurance for this coverage is \$25,000.

C. Professional Services

The **Company** will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit for this coverage is \$50,000.

D. Building Commissioning Expenses

- i. In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the Policy which necessitates the commissioning or re-commissioning of those systems, the **Company** will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.
- ii. The Sublimit of Insurance for this coverage is \$25,000.

5. Additional Definitions

- A. "Appliances" means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.
- B. "Defined Building Materials" means: (1) all carpet and floor coverings, including, adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and (3) permanently installed composite wood fixtures, including, counters, cabinets, and partitions.
- C. "ENERGY STAR" means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.

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- D.** "Heating and Cooling Equipment" means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.
- E.** "Lower emissions" means:
- i.** With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule # 1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;
 - ii.** With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule #1113;
 - iii.** With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
 - iv.** With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea- formaldehyde resins.
- F.** "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
- G.** "Recycled Content" means those products that contain at least 20% post-consumer recycled content.
- H.** "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
- I.** "Seating" means task and guest chairs used with "System Furniture".
- J.** "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").

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- K.** "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
- L.** "Total Loss" means:
- i.** The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or
 - ii.** The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.
- M.** "Water Efficient" means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.

All other terms and conditions remain unchanged.

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POLICY CHANGE ENDORSEMENT – Communicable Disease Exclusion – 1 Page

This endorsement modifies insurance provided by this Policy:

1. Notwithstanding any other provision of this Policy to the contrary, the Company excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 2.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 2.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 2.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

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

CRIME COVERAGE FORM

Throughout this Coverage Form the words **you** and **your** refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Form. The words **we**, **us** and **our** refer to the company providing this insurance.

Other words and phrases that appear in **bold** have special meaning. Refer to DEFINITIONS (SECTION 3).

Unless stated otherwise in any Crime Coverage Form, Declarations or Endorsement, the following Exclusions, Conditions and Definitions apply to all Crime Coverage Forms forming part of this policy.

SECTION 1 – COVERAGE

A. INSURING AGREEMENT

1. EMPLOYEE DISHONESTY COVERAGE

We will pay for the **loss** of **money**, **securities** and other property which **you** sustain resulting directly from:

- a. one or more fraudulent or dishonest acts committed by an employee who is **not** a Treasurer or Tax Collector (by whatever name known) or required by law to be **individually** bonded

Dishonest or fraudulent acts means only dishonest or fraudulent acts committed by such **employee** with the manifest intent:

- (1) to cause **you** to sustain such **loss**; and
- (2) to obtain financial benefit for the **employee**, or for any other person or organization intended by the **employee** to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other **employee** benefits earned in the normal course of employment.

2. LOSS INSIDE THE PREMISES COVERAGE

We will pay for the **loss** of **money** and **securities** by the actual destruction, disappearance or wrongful abstraction thereof within the **premises** or within any **banking premises** or similar recognized places of safe deposit.

We will pay for the **loss** of:

- a. other property by **safe burglary** or **robbery** within the **premises** or attempts thereat; and
- b. a locked cash drawer, cash box or cash register by felonious entry into such container within the **premises** or attempt thereat or by felonious abstraction of such container, from within the **premises** or attempt thereat.

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We will pay for the damage to the **premises** by such **safe burglary, robbery** or felonious abstraction, or by or following burglarious entry into the **premises** or attempted theft, with respect to damage to a **premises** where **you** are the owner thereof or are liable for such damage.

We will pay for the **loss** by **robbery** within the **premises** from any **employee** of **money** or checks paid to such **employee** from **payroll funds** during the work period when such **robbery** occurred, provided there was on the same occasion a **robbery** or attempt thereat from a **custodian**.

3. LOSS OUTSIDE THE PREMISES COVERAGE

We will pay for the **loss** of **money** and **securities** by the actual destruction, disappearance or wrongful abstraction thereof outside the **premises** while being conveyed by a **messenger** or any armored motor vehicle company, or while within the living quarters in the home of any **messenger**.

We will pay for the **loss** of other property by **robbery** or attempt thereat outside the **premises** while being conveyed by a **messenger** or any armored motor vehicle company, or by theft while within the living quarters in the home of any **messenger**.

4. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY COVERAGE

We will pay for the **loss** due to the acceptance in good faith, in exchange for merchandise, **money** or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit United States or Canadian paper currency.

5. DEPOSITORS FORGERY COVERAGE

We will pay for the **loss** that **you** or any bank, which is included in **your** proof of **loss** and in which **you** carry a checking or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any check, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in **money**, made or drawn by or drawn upon **you**, or made or drawn **payroll funds** by one acting as **your** agent, or purporting to have been made or drawn as herein before set forth, including:

- a. any check or draft made or drawn in **your** name, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- b. any check or draft procured in a face to face transaction with **you**, or with one acting as **your** agent, by anyone impersonating another or made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
- c. any payroll check, payroll draft or payroll order made or drawn by **you**, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in a., b. or c. be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

You shall be entitled to priority of payment over **loss** sustained by any bank aforesaid. **Loss** under this Coverage Form, whether sustained by **you** or such bank, shall be paid directly to

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you in **your** name, except in cases where such bank shall have already fully reimbursed **you** for such **loss**. **Our** liability to such bank for such **loss** shall be a part of and not in addition to the amount of insurance applicable to **you** to which such **loss** would have been allocated had such **loss** been sustained by **you**.

If **you** or such bank shall refuse to pay any of the foregoing instruments made or drawn as herein before set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against **you** or such bank to endorse such payment and **we** shall give **our** written consent to the defense of such suit, then any reasonable attorney's fees, court costs, or similar legal expenses incurred and paid by **you** or such bank in such defense shall be construed to be a **loss** under this Coverage Form and **our** liability for such **loss** shall be in addition to any other liability under this Coverage Form.

B. GENERAL AGREEMENTS

1. JOINT INSURED

If more than one Named Insured is covered under this Coverage Form, the first Named Insured shall act for itself and for every other Named Insured for all purposes of this Coverage Form. Knowledge possessed or discovery made by any Named Insured or by any past, present or future elected or appointed official thereof shall, for the purposes of Sections 7, 8 and 15, constitute knowledge possessed or discovery made by every Named Insured. Cancellation of the insurance hereunder as respects any **employee** as provided in Section 15 shall apply to every Named Insured. If, prior to the cancellation or determination of this Coverage Form, this Coverage Form is canceled or terminated as to any Named Insured, there shall be no liability for any **loss** sustained by such Named Insured unless discovered within one year from the date of such cancellation or termination. **Our** payment to the first Named Insured of any **loss** under this Coverage Form shall fully release **us** on account of such **loss**. If the first Named Insured ceases for any reason to be covered under this Coverage Form, then the Named Insured next named shall thereafter be considered as the first Named Insured for all purposes of this Coverage Form.

2. LOSS UNDER PRIOR BOND OR POLICY

If the coverage of this Coverage Form is substituted for any prior bond or policy of insurance carried by **you** or by any predecessor in **your** interest, which prior bond or policy is terminated, canceled or allowed to expire as of the time of such substitution, **we** agree that this Coverage Form applies to **loss** which is discovered as provided in paragraph A of the General Conditions and Limitations and which would have been recoverable by **you** or such predecessor under such prior bond or policy except for the fact that the time within which to discover **loss** thereunder had expired, provided:

- a. the insurance hereunder shall be a part of and not in addition to the amount of insurance afforded by this Coverage Form;
- b. such **loss** would have been covered under this Coverage Form had this Coverage Form with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such **loss** were committed or occurred; and
- c. recovery under this Coverage Form on account of such **loss** shall in no event exceed the amount which would have been recoverable under the coverage of this Coverage

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Form applicable to such **loss** in the amount for which it is written as of the time of such substitution, had this Coverage Form been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or Coverage Form had such prior bond or Coverage Form continued in force until the discovery of such **loss**, if the latter amount be smaller.

C. POLICY PERIOD, TERRITORY, DISCOVERY

A **loss** is covered under this Coverage Form only if discovered not later than one (1) year from the end of the Policy Period covered by this Coverage Form.

Subject to General Agreement B., this Coverage Form applies only to **loss** which occurs during the Policy Period within any of the States of the United States of America (including its territories and premises), Puerto Rico and Canada, except that with respect to Insuring Agreement 1. of this Coverage Form, it applies to **loss** sustained through fraudulent or dishonest acts committed during the Policy Period by any of the **employees** engaged in **your** regular service within the territory designated above or while such **employees** are elsewhere for a limited period.

SECTION 2 – EXCLUSIONS

This insurance does not apply to any suit or claim for damages, whether direct or consequential, or any cause of action which is covered under any other Coverage Form of this Policy. This insurance also does not apply:

- a. to **loss** due to any fraudulent, dishonest or criminal act by **you** or **your** past, present or future elected or appointed officials, whether acting alone or in collusion with others;
- b. to **loss**, or to that part of any **loss** as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and **loss** computation;
- c. under Insuring Agreements 2. and 3. of this Coverage Form, to **loss** due to any fraudulent, dishonest or criminal act by an **employee**, **your** past, present or future elected or appointed officials or authorized representative, while working or otherwise and whether acting alone or in collusion with others, provided, this exclusion does not apply to **safe burglary** or **robbery** or attempt thereof;
- d. under Insuring Agreements 2. and 3. of this Coverage Form, to **loss** (i) due to the giving or surrendering of **money** or **securities** in any exchange or purchase; (ii) due to accounting or arithmetical errors or omissions; or (iii) of manuscripts, books of account or records;
- e. under Insuring Agreement 2. of this Coverage Form, to **loss** of **money** contained in coin operated amusement devices or vending machines, unless the amount of **money** deposited within the device or machine is recorded by a continuous recording instrument therein;
- f. to **loss** of insured property while in the custody of any armored motor vehicle company, unless such **loss** is in excess of the amount recovered or received by **you** under (i) **your** contract with said armored motor vehicle company; (ii) insurance carried by said armored vehicle company for the benefit of users of its service; and (iii) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said

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- armored motor vehicle company's service, and then this Coverage Form shall cover only such excess;
- g. under Insuring Agreement 2. of this Coverage Form, to **loss**, other than to **money**, **securities**, a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
 - h. **loss** due to the surrender of **money**, **securities** or other property away from the **premises** as a result of a threat to do:
 - 1. bodily harm to any person or
 - 2. damage to the **premises** or property owned by **you** or held by **you** in any capacity, provided, however, these exclusions do not apply:
 - (a) to Insuring Agreement 1. of this Coverage Form if coverage is afforded thereunder; or
 - (b) under Insuring Agreement 3. of this Coverage Form if coverage is afforded thereunder, to **loss** of **money**, **securities** or other property while being conveyed by a **messenger** when there was no knowledge by **you** of any such threat at the time the conveyance was initiated;
 - i. to the defense of any legal proceeding brought against **you**, or to fees, costs or expenses incurred or paid by **you** in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a **loss** to **you** covered by this Coverage Form, except as may be specifically stated to the contrary in this Coverage Form;
 - j. to potential income, including but not limited to interest and dividends, not realized by **you** because of a **loss** covered under this Coverage Form;
 - k. to damages of any type for which **you** are legally liable, except direct compensatory damages arising from a **loss** covered under this Coverage Form;
 - l. to costs, fees and other expenses incurred by **you** in establishing the existence of or amount of **loss** covered under this Coverage Form;
 - m. to any claim for damages, whether direct or consequential, or for any cause of action which is covered under any Coverage Form of this policy;
 - n. to **loss** resulting from seizure or destruction of property by order of governmental authority;
 - o. to any claim or judgment, or any part thereof, for punitive damages.
 - p. **loss** or damage claims arising out of or in any way connected with the actions of any administrative board, by whatever name called, acting as a body in its official capacity and arising out of any of the following by whatever named called:
 - (1) eminent domain; or
 - (2) land use planning; or
 - (3) municipal zoning; or
 - (4) condemnation; or
 - (5) inverse or reverse condemnation; or
 - (6) adverse or reverse possession or dedication by adverse use.

SECTION 3 – DEFINITIONS

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The following terms, as used in this Coverage Form, shall have the respective meanings stated in this Section.

- a. **Banking premises** means the interior of that portion of any building which is occupied by a banking institution in conducting its business.
- b. **Custodian** means **you** or a past, present or future elected or appointed official of **yours** or any **employee** who is duly authorized by **you** to have the care and custody of the insured property within the **premises**, excluding any person while acting as a watchman, porter or janitor.
- c. **Employee** means any natural person (except **your** past, present or future elected or appointed public officials) while in **your** regular service in the ordinary course of **your** business during the Policy Period and whom **you** compensate by salary, wages or commissions and have the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. **Employee** also includes any non-compensated natural person: who is a member, director, commissioner or officer of a board, commission or not for profit corporation operated by **you**, under **your** control, or under **your** jurisdiction or a volunteer, other than a person who is a fund solicitor. 1. while performing services for you that are usual to the duties of an **employee**; or 2. while acting as a fund solicitor during fund raising campaigns. As applied to **loss** under Insuring Agreement 1. of this Coverage Form, the above words "while in **your** regular service" shall include the first 30 days thereafter subject, however, to Sections 15 and 16 hereof.
- d. **Loss**, except under Insuring Agreement 1. and 5., includes damage.
- e. **Messenger** means **you** or a past, present or future elected or appointed official, or any **employee**, who is duly authorized by **you** to have the care and custody of the insured property outside the **premises**.
- f. **Money** means currency, coins, bank notes and bullion; and travelers checks, registered checks and money orders held for sale to the public.
- g. **Payroll funds** means **money** and **securities** intended solely for **your** payroll.
- h. **Premises** means the interior of that portion of any building which is occupied by **you** in conducting **your** business.
- i. **Robbery** means the taking of insured property:
 - 1. by violence inflicted upon a **messenger** or a **custodian**;
 - 2. by putting him or her in fear of violence;

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3. by any other overt felonious act committed in his or her presence and of which he or she was actually cognizant, provided such other act is not committed by a partner or **employee of yours**;
 4. from the person or direct care and custody of a **messenger** or **custodian** who has been killed or rendered unconscious; or
 5. under Insuring Agreement 2.:
 - (a) from within the **premises** by means of compelling a **messenger** or **custodian** by violence or threat of violence while outside the **premises** to admit a person into the **premises** or to furnish him or her with means of ingress into the **premises**; or
 - (b) from a showcase or show window within the **premises** while regularly open for business, by a person who has broken the glass thereof from outside the **premises**.
- j. **Safe burglary** means
1. the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the **premises** by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of:
 - (a) all said doors of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors; or
 - (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors; or
 2. the felonious abstraction of such safe from within the **premises**.
- k. **Securities** means all negotiable and non-negotiable instruments or contracts representing either **money** or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include **money**.

SECTION 4 - LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

If a **loss** is alleged to have been caused by the fraud or dishonesty of any one or more of the **employees** and **you** shall be unable to designate the specific **employee** or **employees** causing such **loss**, **you** shall nevertheless have the benefit of Insuring Agreement 1. of this Coverage Form, subject to the provisions of Section 2.b. of this Coverage Form, provided that the evidence submitted reasonably proves that the **loss** was in fact due to the fraud or dishonesty of one or more of the said **employees**, and provided, further, that **our** aggregate liability for any such **loss** shall not exceed the Total Limit of Liability.

SECTION 5 - OWNERSHIP OF PROPERTY, INTERESTS COVERED

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The insured property may be owned by **you**, or held by **you** in any capacity whether or not **you** are liable for the cost thereof, or may be property as respects which **you** are legally liable; provided, Insuring Agreements 2., 3. and 4. of this Coverage Form apply only to **your** interest in such property, including **your** liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in **your** proof of **loss**, in which event Section 8 is applicable to them.

SECTION 6 - BOOKS AND RECORDS

You shall keep records of all the insured property in such manner that **we** can accurately determine from them the amount of **loss**.

SECTION 7 - PRIOR FRAUD, DISHONESTY OR CANCELLATION

The coverage of this Coverage Form shall not apply to any **employee** from and after the time that **you** or any partner or officer thereof not in collusion with such **employee** shall have knowledge or information that such **employee** has committed any fraudulent or dishonest act in **your** service or otherwise, whether such act be committed before or after the date of employment by **you**.

If prior to the issuance of this Coverage Form, any fidelity insurance in favor of **you** or any predecessor in **your** interest and covering one or more of **your employees** shall have been canceled as to any of such **employees** by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether **us** or not, and if such **employees** shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, **we** shall not be liable on account of such **employees** unless **we** shall agree in writing to include such **employees** within the coverage of this Coverage Form.

SECTION 8 – LOSS, NOTICE, PROOF, ACTION AGAINST US

Upon knowledge or discovery of **loss** or of an occurrence which may give rise to a claim for **loss**, **you** shall:

- a. give notice thereof as soon as practicable to **us** or any of **our** authorized agents and, except under Insuring Agreements 1. and 5. of this Coverage Form, also to the police if the **loss** is due to a violation of law; and
- b. file a detailed proof of **loss**, duly sworn to, with **us** within four (4) months after the discovery of **loss**.

Proof of **loss** under Insuring Agreement 5. of this Coverage Form shall include the instrument which is the basis of the claim for such **loss**, or if it shall be impossible to file such instrument, **your** affidavit or **your** bank of deposit setting forth the amount and cause of **loss** shall be accepted in lieu thereof.

Upon **our** request, **you** shall submit to examination by **us**, subscribe the same, under oath if required, and produce for **our** examination all pertinent records, all at such reasonable times and places as **we** shall designate, and shall cooperate with **us** in all matters pertaining to **loss** or claims with respect thereto.

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No action shall lie against **us** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Coverage Form, nor until ninety days after the required proof of **loss** have been filed with **us**, nor at all unless commenced within one (1) year from the date when **you** discover the **loss**. If any limitation of time for notice of **loss** or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Coverage Form, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

You may not bring any suit or legal action against **us** to recover a claim unless the terms of this Policy have been complied with. Nor can suit be brought against **us** until the amount of a claim against **you** has been determined or agreed upon. Venue for any suit or legal action brought by **you** against **us** or by **us** against **you** concerning **our** duties and obligations to **you** hereunder or otherwise by operation of law shall only be commenced in the courts of the Commonwealth of Kentucky sitting in Franklin County, Kentucky.

Nothing in this Policy gives any person or organization the right to join **us** as a party to a suit brought against **you**.

SECTION 9 – VALUATION, PAYMENT, REPLACEMENT

In no event shall **we** be liable as respects **securities** for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the **loss** was discovered, nor as respects other property, for more than the actual cash value thereof at the time of **loss** provided, however, the actual cash value of such other property held by **you** as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by **you** when making the advance or loan nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

We may, with **your** consent, settle any claim for **loss** of property with the owner thereof. Any property to which **we** have made indemnification shall become **our** property.

In the case of damage to the **premises** or **loss** of property other than **securities**, **we** shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such **premises** or property or of replacing same with property or materials of like quality and value. **We** may, at **our** election, pay such actual cash value, or make such repairs or replacements. If **we** and **you** cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

SECTION 10 – RECOVERIES

If **you** shall sustain any **loss** covered by this Coverage Form which exceeds the applicable amount of insurance hereunder, **you** shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for **our** benefit) by whomsoever made, on account of such **loss** under this Coverage Form until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to **our** reimbursement.

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SECTION 11 - TOTAL LIMIT OF LIABILITY

Payment of **loss** under this Coverage Form shall not reduce **our** liability under this Coverage Form for other **losses** provided; however, **our** total liability under this Coverage Form on account of:

- a. all **loss** incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts, whether committed by one or more persons, at the **premises** in which no **employee** is concerned or implicated or in which there is no forgery or alteration of an instrument covered under Insuring Agreement 5.; or
- b. all **loss**, other than as specified in a. preceding, caused by acts or omissions of any person (whether one of the **employee** or not) or acts or omissions in which such person is concerned or implicated;

is limited to the sum stated for "Blanket Crime" Total Limit Of Liability in excess of the deductible stated for "Blanket Crime" shown on the Declarations. **We** will then pay the amount of **loss** or damage in excess of the deductible, up to the applicable Limit of Liability. **Our** liability for **loss** sustained by any or all of **you** shall not exceed the amount for which **we** would be liable had all such **loss** been sustained by any one of **you**.

In the event that **loss** or damage would require the application of more than one deductible, only the highest deductible shall be deducted from the total **loss** or damage.

Regardless of the number of years this Coverage Form shall continue in force and the number of premiums which shall be payable or paid, **our** total limit of liability shall not be cumulative from year to year or period to period.

SECTION 12 - LIMIT OF LIABILITY UNDER THIS COVERAGE FORM AND PRIOR INSURANCE

With respect to **loss** caused by any person (whether one of the **employees** or not) or in which such person is concerned or implicated or which is chargeable to any **employee** as provided in Section 4 herein and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by **us** to **you** or to any predecessor in **your** interest and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such **loss** thereunder is discovered, **our** total liability under this Coverage Form and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under this Coverage Form on such **loss** or the amount available to **you** under such other bonds or policies, as limited by the terms and conditions thereof, for any such **loss**, if the latter amount be the larger.

SECTION 13 - OTHER INSURANCE

If there is available to **you** any other insurance or indemnity covering any **loss** covered by this Coverage Form, **we** shall be liable hereunder only for that part of such **loss** which is in excess of the amount recoverable or recovered from such other insurance or indemnity provided, except under Insuring Agreements 1. and 5., the insurance under this Coverage Form shall not apply:

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- a. to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or
- b. to property otherwise insured unless such property is owned by **you**.

We waive any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement 5. of this Coverage Form.

SECTION 14- SUBROGATION

In the event of any payment under this Coverage Form, **we** shall be subrogated to all **your** rights of recovery therefor against any person or organization and **you** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. **You** shall do nothing after any **loss** to prejudice such rights.

SECTION 15 - CANCELLATION AS TO ANY EMPLOYEE

This Coverage Form shall be deemed canceled as to any **employee**:

- a. immediately upon discovery by **you**, or by any past, present or future elected or appointed official not in collusion with such **employee**, of any fraudulent or dishonest act on the part of such **employee** ; or
- b. at 12:01 a.m. standard time on the effective date specified in a written notice mailed to **you**. Such date shall be not less than fifteen (15) days after the date of mailing. **Our** mailing of the aforesaid notice to **you** at the address shown in this Coverage Form shall be sufficient proof of notice. Delivery of such written notice by **us** shall be equivalent to mailing.

SECTION 16 – CANCELLATION OF POLICY

This Coverage Form may be canceled by **you** by mailing to **us** written notice stating when thereafter the cancellation shall be effective. This Coverage Form may be canceled by **us** by mailing to **you** at the address shown in this Coverage Form written notice stating when not less than seventy-five (75) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice either by **you** or by **us** shall be equivalent to mailing.

If **you** cancel, earned premium shall be computed in accordance with the customary short rate table and procedure. If **we** cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment of tender or unearned premium is not a condition of cancellation.

SECTION 17 - NO BENEFIT TO BAILEE

This Section shall apply only to Insuring Agreements 2. and 3. of this Coverage Form

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The insurance afforded by this Coverage Form shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

SECTION 18 – ASSIGNMENT

Assignment of interest under this Coverage Form shall not bind **us** until **our** consent is endorsed hereon. If, however, **you** shall die, this Coverage Form shall cover **your** legal representative as Named Insured; provided that notice of cancellation addressed to **you** as named in the Declarations and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Coverage Form.

SECTION 19 – CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Coverage Form or estop **us** from asserting any right under the terms of this Coverage Form; nor shall the terms of this Coverage Form be waived or changed except by endorsement issued to form a part of this Coverage Form signed by an officer of **our** company.

By acceptance of this Coverage Form **you** agree that it embodies all agreements existing between **you** and **us** or any of **our** agents relating to this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CYBER LIABILITY AND EXPENSE COVERAGE

This endorsement modifies insurance provided under the following:

ALL KALF POLICY FORMS AND ENDORSEMENTS EXCEPTING THE CYBER LIABILITY AND EXPENSE COVERAGE FORM

1. This Coverage Part does not provide coverage for any liability, loss, penalty or expense arising directly or indirectly from any **Cyber Security Event**.
2. For purposes of this exclusion, the following terms have the following meanings:

“Computer System” means computers and associated input and output devices, data storage devices, networking equipment and backup facilities:

- a. operated by and either owned by or leased to **you**; or
- b. operated by a third party service provider and used to provide hosted computer application services to **you** or for processing, maintaining, hosting or storing **your** electronic data pursuant to a written contract with **you** for such services.

“Cyber Security Event” means:

- a. the actual or reasonable suspected theft, loss or unauthorized disclosure of or access to electronic **Personal Information** in **your** care, custody or control or for which **you** are legally responsible; or
- b. a violation or failure of the security of a **Computer System**, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

“Personal Information” means an individual’s name in combination with one or more of the following:

- a. information concerning the individual that constitutes “nonpublic personal information” as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;
- b. medical or health care information concerning the individual, including without limitation “protected health information” as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;
- c. the individual’s Social Security number, driver’s license or state identification number, credit, debit, or other financial account numbers and associated security

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codes, passwords or personal identification numbers that allow access to the individual's financial account information; or

- d. other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law.

Provided, however, **Personal Information** does not including information that is lawfully available to the public, including without limitation, information lawfully available from **you** or any local, state, federal or foreign governmental entity.

ALL OTHER TERMS AND CONDITIONS OF THE COVERAGE DOCUMENT
REMAIN UNCHANGED.

GENERAL LIABILITY COVERAGE FORM

This Coverage Form explains **YOUR GENERAL LIABILITY COVERAGE**. The coverages referenced in this Coverage Form are:

- Coverage A. Bodily Injury and Property Damage Liability
- Coverage B. Personal Injury and Advertising Injury Liability
- Coverage C. Fire, Explosion or Water Damage Liability
- Coverage D. Medical Payments

No obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the insuring agreement applicable to these coverages.

These coverages are subject to exclusions that restrict coverage. The amount **we** will pay is limited as described on the Declarations Page. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words **you** and **your** refer to the Named **Insured** shown in the Declarations, and any other person or organization qualifying as an **insured** under this Coverage Form. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in **bold** have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES

A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

We will pay those sums that the **insured** becomes legally obligated to pay as **damages** because of **bodily injury** or **property damage** to which this insurance applies. **We** will have the right and duty to defend any **suit** to which this insurance applies, seeking those **damages**; but:

- a. **we** may investigate any **occurrence** and settle any **claim** or **suit** at **our** discretion;
- b. the amount **we** will pay for damages is limited as described in SECTION II –LIMIT OF INSURANCE; and
- c. **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A. Bodily Injury and Property Damage Liability; Coverage B. Personal Injury and Advertising

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Injury Liability; Coverage C. Fire, Explosion or Water Damage Liability; or
Coverage D. Medical Payments.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY COVERAGES– COVERAGES A & B.

This insurance applies to **bodily injury** and **property damage** only if:

- a. the **bodily injury** or **property damage** occurs during the Policy Period;
- b. the **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**; and
- c. prior to the Policy Period, no **insured** listed under Paragraph 1. of SECTION II – WHO IS AN INSURED or any **employee** authorized by **you** to give or receive notice of an **occurrence** or **claim**, knew that the **bodily injury** or **property damage** had occurred, in whole or in part. If such a listed **insured** or authorized **employee** knew, prior to the Policy Period, that the **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the Policy Period will be deemed to have been known prior to the Policy Period.

Bodily injury or **property damage** which occurs during the Policy Period and was not, prior to the Policy Period, known to have occurred by any **insured** listed under Paragraph 1. of SECTION II – WHO IS AN INSURED or any **employee** authorized by **you** to give or receive notice of an **occurrence** or **claim**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the Policy Period.

Bodily injury or **property damage** will be deemed to have been known to have occurred at the earliest time when any **insured** listed under Paragraph 1. of SECTION II – WHO IS AN INSURED or any **employee** authorized by **you** to give or receive notice of an **occurrence** or **claim**:

- a. reports all, or any part, of the **bodily injury** or **property damage** to **us** or to any other insurer;
- b. receives a written or verbal demand or **claim** for **damages** because of the **bodily injury** or **property damage**; or
- c. becomes aware by any other means that **bodily injury** or **property damage** has occurred or has begun to occur.

2. Exclusions

Insurance under Coverage A. Bodily Injury and Property Damage Liability does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other coverage part herein or other Coverage Form of this Policy. This insurance also does not apply to the following:

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a. Expected or Intended Injury

Bodily injury or **property damage** expected or intended from the standpoint of the **insured**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

Bodily injury or **property damage** for which the **insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **damages**:

- (1) assumed in a contract or agreement that is an **insured contract** provided that the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement; or
- (2) that the **insured** would have in the absence of the contract or agreement.

c. Liquor Liability

"Bodily injury" or **"property damage"** for which any **insured** may be held liable by reason of:

- (1) causing or contributing to the intoxication of any person;
- (2) the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claims** against any **insured** allege negligence or other wrongdoing in:

- (1) the supervision, hiring, employment, training or monitoring of others by that **insured**; or
- (2) providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.

However, this exclusion applies only if **you** are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation and Similar Laws

Any obligation of the **insured** under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

- (1) **Bodily injury** to an **employee** of the **insured** arising out of and in the course of:
 - (a) employment by the **insured**; or
 - (b) performing duties related to the conduct of the **insured's** business; or
- (2) **Bodily injury** to the spouse, child, parent, brother or sister of that **employee** as a consequence of (1) above.

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- (3) **Bodily injury** arising out of any demotion, harassment, discrimination, humiliation, or other employment-related practices, acts, or omissions.

This exclusion applies:

- (i) whether the **insured** may be liable as an employer or in any other capacity; or
(ii) to any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.

This exclusion does not apply to liability of others assumed by the **insured** under an **insured contract** provided that the **bodily injury** or **property damage** occurs subsequent to the execution of the **insured contract**.

f. Pollution

- (1) **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
- (a) at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **insured**;
- (b) at or from any premises, site or location which is or was at any time used by or for any **insured** or others for the handling, storage, disposal, processing or treatment of **waste**;
- (c) which are or were at any time transported, handled, stored, treated, disposed of, or processed as **waste** by or for any **insured** or any person or organization for which **you** may be legally responsible; or
- (d) at or from any premises, site or location on which any **insured** or any contractors or subcontractors working directly or indirectly on any **insured's** behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **pollutants**.
- (2) Any loss, cost or expense arising out of any:
- (a) request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
- (b) **claim** or **suit** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.
- (3) Paragraph (1) of this exclusion does not apply to pesticide or herbicide applicators if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those conditions. The maximum amount payable for pesticide or herbicide liability shall not exceed \$250,000.
- (4) Paragraph (1)(a) of this exclusion does not apply to:
- (a) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
- (b) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**; or

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- (c) **property damage** to a building or its contents if caused by sewage resulting from:
 - (i) the reverse flow of such sewage from within any sewage facility that you own, operate or maintain; or
 - (ii) the escape of sewage from any fixed conduit that **you** own, operate or maintain, but only if the escape occurs away from land **you** own or lease.
- (5) Paragraph (1)(d) of this exclusion does not apply to:
 - (a) **bodily injury or property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury or property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **insured**, contractor or subcontractor;
 - (b) **bodily injury or property damage** sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by **you** or on **your** behalf by a contractor or subcontractor; or
 - (c) **bodily injury or property damage** arising out of heat, smoke or fumes from a **hostile fire**.

g. Aircraft, Auto or Watercraft

Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **drone, auto** or watercraft owned or operated by or rented or loaned to any **insured**. Use includes operation and **loading or unloading**.

This exclusion applies even if the **claims** against any **insured** allege negligence or wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the **occurrence** which caused the **bodily injury or property damage** involved the ownership, maintenance, use or entrustment to others of any aircraft, **drone, auto** or watercraft that is owned or operated by or rented or loaned to any **insured**.

This exclusion does not apply to:

- (1) a watercraft while ashore on **your premises**;
- (2) a watercraft not being used to carry persons or property for a charge. Watercraft carrying persons or property for a charge are covered if scheduled to this Policy;
- (3) watercraft under 50 feet in length that are listed on the watercraft schedule;

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- (4) parking an **auto** on, or on the ways next to, **your premises**, other than an **insured's auto**;
- (5) liability of others assumed under any **insured contract** for the ownership, maintenance or use of aircraft or watercraft;
- (6) the operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of **mobile equipment** if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (7) **bodily injury** or **property damage** arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of **mobile equipment**.

h. Mobile Equipment

Bodily injury or **property damage** arising out of:

- (1) the transportation of **mobile equipment** by an **insured's auto**; or
- (2) the use of **mobile equipment** in, or while in practice for or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

Bodily injury or **property damage** due to war whether or not declared or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

j. Damage to Property

Property damage to:

- (1) **your premises**;
- (2) premises **you** sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- (3) property loaned to **you**;
- (4) personal property in the care, custody or control of the **insured**;
- (5) that particular part of real property on which **you** or any contractor or subcontractor working directly or indirectly on **your** behalf is performing operations, if the **property damage** arises out of those operations;
- (6) that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it; or
- (7) property which **you** are a bailee for, property which **you** have confiscated or seized, or property which is otherwise in **your** care, custody or control and which **you** do not own, rent, hire, lease, utilize or occupy with the agreement or consent of the owner.

Paragraph (2) of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by **you**.

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Paragraphs (3), (4), (5), (6) and (7) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

k. Damage to Your Product

Property damage to **your product** arising out of it or any part of it.

l. Damage to Your Work

Property damage to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on **your** behalf by a subcontractor.

m. Damage to Property Not Physically Injured and Required Damage to Property

Property damage to:

- (1) property that has not been physically injured, arising out of:
 - (a) a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
 - (b) a delay or failure by **you** or anyone acting on **your** behalf to perform a contract or agreement in accordance with its terms.
- (2) property which it is necessary to damage in order to:
 - (a) repair, replace, adjust, or remove **your product** or **your work** that is known to be defective, deficient, inadequate or dangerous; or
 - (b) correct **your** failure or the failure of anyone acting on **your** behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) **your product**;
- (2) **your work**; or
- (3) **impaired property**;

if **your product**, **your work** or the **impaired property** is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

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o. Asbestos

Bodily injury or property damage arising out of the actual, alleged or threatened:

- (1) inhalation of, ingestion of, or prolonged physical exposure to asbestos or products or work containing asbestos;
- (2) use of asbestos in **your work** or **your product** or the work or product of any person or organization for whom **you** may be legally responsible; or
- (3) exposure to asbestos or products containing asbestos which are at any time removed from a building or a structure, transported, handled, stored, treated, disposed of, processed or manufactured by **you** or any person or any organization for whom **you** may be legally responsible.

p. Lead

Bodily injury or property damage arising out of:

- (1) the ingestion, inhalation or absorption of lead in any form; or
- (2) the presence of lead at **your premises**.

q. Land Use

Bodily injury or property damage arising out of or in any way connected with any of the following by whatever name called:

- (1) eminent domain;
- (2) land use planning;
- (3) municipal zoning;
- (4) condemnation;
- (5) inverse or reverse condemnation; or
- (6) adverse possession or dedication by adverse use.

r. Failure to Supply

Bodily injury or property damage arising out of the failure of any **insured** to adequately supply gas, oil, water, electricity or steam. This exclusion does not apply if the failure to supply results from the sudden and accidental injury to tangible property owned or used by any insured to procure, produce, process, or transmit the gas, oil, water, electricity or steam. Failure to supply gas, oil, water, electricity or steam is totally excluded if caused by a flood or earthquake.

s. Dam

Bodily injury or property damage arising out of the rupture, bursting, overtopping, flooding, cracking, seepage, under-seepage, accidental discharge, or partial or complete structural failure of any **dam**, levee or dike, that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease.

t. Law Enforcement Activities

Bodily injury or property damage arising out of:

- (1) any law enforcement activities, by a municipal government or law enforcement agency including your elected and appointed officials and your

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- employees** and volunteers, including any subsequent detention or incarceration;
- (2) the operation, maintenance or use of any premises or facility occupied, maintained, or used by any law enforcement agency;
 - (3) the employment, retention, supervision, dispatch or training of any person who has engaged, or is alleged to have engaged in any acts or conduct for which coverage is excluded under paragraphs t.(1) or t.(2) above; or
 - (4) the failure to protect any person from any acts or conduct for which coverage is excluded under paragraphs t.(1) through (3) above; or
 - (5) to any inmate of a county jail, or persons participating in work release or community service programs by virtue of court order or through a diversion program.

However, this exclusion only applies to **bodily injury** and **property damage** that occurs in the course of any law enforcement activity, including any subsequent detention or incarceration, and this exclusion does not apply to coverage provided under any LAW ENFORCEMENT LIABILITY ENDORSEMENT, if a part of this Policy.

u. Aviation Activities

Bodily injury or **property damage** arising out of the operation, maintenance, use or operation of airfields, runways, hangars, heliports, helipads, buildings or other properties used in connection with aviation activities or airports or similar property that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease.

This exclusion does not apply to:

- (1) **bodily injury** or **property damage** included in the **products-completed operations hazard**; or
- (2) **bodily injury** or **property damage** arising out of premises liability in buildings where the general public is admitted.

v. Health Care Facilities

Bodily injury or **property damage** arising out of the maintenance, operation or use of a continuing care facility, nursing home, long term care facility, assisted living community or hospital.

w. Personal and Advertising Injury

Bodily injury arising out of **personal injury** or **advertising injury**.

x. Punitive Damages, Attorneys' Fees, and Court Costs

Any judgment or **claim**, or any part thereof, for punitive damages, attorneys' fees, or court costs.

y. Abuse or Molestation

We will not pay any sum or defend any **suit** on behalf of any **insured** or person—

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- (1) who has been adjudicated, or has acknowledged, to have taken part in any act of **sexual abuse**; or
- (2) who has been adjudicated, or has acknowledged, to have remained passive upon gaining knowledge of any actual or alleged act of **sexual abuse**.

z. Special Events & Recreational Activities

With respect to the operations of any carnival, circus, festival, fair or property owned, leased, rented or occupied by the **insured** and used for recreational purposes, this insurance does not apply to:

- (1) **Bodily injury** or **property damage** arising out of any mechanically operated amusement device;
- (2) **Bodily injury** or **property damage** to any person while attending, practicing for or participating in any sports or athletic contest or exhibition, including but not limited to rodeos, tractor pulls, demolition or stunting activity, horse shows, automobile shows, racing events, running events, trail riding or any other recreational competition.

aa. All Terrain Vehicles

- (1) **Bodily injury** or **property damage** arising out of, caused by or contributed to by ownership, non-ownership, maintenance, use or entrustment to others of any all terrain vehicle (ATV). Use includes operation and **loading** or **unloading**; or
- (2) **Bodily injury** or **property damage** arising out of, caused by or contributed to by the use, design, construction or maintenance of any all terrain vehicle (ATV) trails.

This exclusion applies even if the **claims** against any **insured** allege negligence or wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the **occurrence** which caused the **bodily injury** or **property damage** involved the ownership, maintenance, use or entrustment to others of any all terrain vehicle that is owned or operated by or rented or loaned to any **insured**.

bb. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of **bodily injury**.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

cc. Recording and Distribution of Material or Information in Violation of Law

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Bodily injury or property damage arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. **We** will pay those sums to which this insurance applies, that the **insured** becomes legally obligated to pay as **damages** because of **personal injury or advertising injury**. **We** will have the right and duty to defend any **suit** to which this insurance applies, seeking those **damages**; but:
 - (1) **we** may investigate any **occurrence** and settle any **claim** or **suit** at **our** discretion;
 - (2) the amount **we** will pay for damages is limited as described in SECTION III – LIMIT OF INSURANCE; and
 - (3) **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A. Bodily Injury and Property Damage Liability; Coverage B. Personal Injury and Advertising injury Liability; Coverage C. Fire, Explosion or Water Damage Liability; or Coverage D. Medical Payments.No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A & B.
- b. This coverage applies to **personal injury** only if caused by an offense:
 - (1) committed in the **coverage territory** during the Policy Period; and
 - (2) arising out of the conduct of **your** business (excluding advertising, publishing, broadcasting or telecasting done by or for **you**).
- c. This coverage applies to **advertising injury** only if caused by an offense:
 - (1) committed in the **coverage territory** during the Policy Period; and
 - (2) in the course of advertising **your** goods, products or services.

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2. Exclusions

This insurance does not apply to any **suit or claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other coverage part herein or other Coverage Form of this Policy. This insurance also does not apply to the following:

a. **Personal injury or advertising injury:**

- (1) caused by or at the direction of the **insured** with the knowledge that the act would violate the rights of another and would inflict **personal and advertising injury**;
- (2) arising out of oral or written publication of material, if done by or at the direction of the **insured** with knowledge of its falsity;
- (3) arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period;
- (4) arising out of a criminal act committed by, at the direction of, or with the consent of any **insured**;
- (5) for which the **insured** has assumed liability in the contract or agreement. This exclusion does not apply to liability for **damages** that the **insured** would have in the absence of the contract or agreement;
- (6) which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, disposal, seepage, migration, release or escape of **pollutants** at any time;
- (7) arising out of a breach of contract, except an implied contract to use another's advertising idea in **your** advertisement;
- (8) arising out of the failure of goods, products or services to conform with any statement of quality or performance made in **your** advertisement;
- (9) arising out of the wrong description of the price of goods, products or services stated in **your** advertisement;
- (10) arising out of the infringement of copyright, patent trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in **your** advertisement; However, this exclusion does not apply to infringement, in your advertisement, of copyright, trade dress or slogan;
- (11) committed by an **insured** whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to paragraph 22. a. b. and c. of **personal injury** under the Definitions Section;
- (12) arising out of the actual, alleged or threatened:
 - (a) inhalation of, ingestion of, or prolonged physical exposure to asbestos or products or work containing asbestos; or
 - (b) use of asbestos in **your work** or **your** product or the work or product of any person or organization for whom **you** may be legally responsible; or
 - (c) exposure to asbestos or products containing asbestos which are at any time removed from a building or a structure, transported, handled,

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- stored, treated, disposed of, processed or manufactured by **you** or any person or any organization for whom **you** may be legally responsible;
- (13) arising out of any activities at any airfield, runway, hangar, airport, airpark, heliport, or similar property that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease.
This exclusion does not apply to **personal injury** or **advertising injury** arising out of premises liability in buildings where the general public is admitted;
- (14) arising out of or in any way connected with any of the following by whatever name called:
- (a) eminent domain;
 - (b) land use planning;
 - (c) municipal zoning;
 - (d) condemnation;
 - (e) inverse or reverse condemnation; or
 - (f) adverse possession or dedication by adverse use;
- (15) arising out of the failure of any insured to adequately supply gas, oil, water, electricity or steam. This exclusion does not apply if the failure to supply results from the sudden and accidental injury to tangible property owned or used by any insured to procure, produce, process, or transmit the gas, oil, water, electricity or steam. Failure to supply gas, oil, water, electricity, or steam is totally excluded if caused by a flood or earthquake.
- (16) arising out of the rupture, bursting, overtopping, flooding, cracking, seepage, under-seepage, accidental discharge, or partial or complete structural failure of any **dam**, levee or dike, that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease;
- (17) arising out of:
- (a) the ingestion, inhalation or absorption of lead in any form; or
 - (b) the presence of lead **at your premises**;
- (18) arising out of:
- (a) any law enforcement activities, by a municipal government or law enforcement agency including **your** elected and appointed officials and **your employees** and volunteers, including any subsequent detention or incarceration;
 - (b) the operation, maintenance or use of any premises or facility occupied, maintained, or used by any law enforcement agency;
 - (c) the employment, retention, supervision, dispatch or training of any person who has engaged, or is alleged to have engaged in any acts or conduct for which coverage is excluded under paragraphs (18)(a) or (18)(b) above;
 - (d) the failure to protect any person from any acts or conduct for which coverage is excluded under paragraphs (18)(a) through (18)(c) above;
- or

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- (e) to any inmate of a county jail, or persons participating in work release or community service programs by virtue of court order or through a diversion program;

However, this exclusion (18) only applies to **personal injury** and **advertising injury** that occurs in the course of any law enforcement activity, including any subsequent detention or incarceration and this exclusion (17) does not apply to coverage provided under any LAW ENFORCEMENT LIABILITY ENDORSEMENT, if a part of this Policy.

- (19) arising directly or indirectly out of any action or omission that violates or is alleged to violate:
 - 1. the Telephone Consumer Protection Act (TCPA), including any amendment or addition to such law;
 - 2. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - 3. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
 - 4. any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- (20) arising out of the maintenance, operation or use of a continuing care facility, nursing home, long term care facility, assisted living community or hospital.
- (21) **We will not pay any sum or defend any suit on behalf of any insured or person—**
 - 1. who has been adjudicated, or has acknowledged, to have taken part in any act of **sexual abuse**; or
 - 2. who has been adjudicated, or has acknowledged, to have remained passive upon gaining knowledge of any actual or alleged act of **sexual abuse**.
- (22) Special Events & Recreational Activities
With respect to the operations of any carnival, circus, festival, fair or property owned, leased, rented or occupied by **you** and used for recreational purposes, this insurance does not apply to:
 - 1. **Personal injury** or **advertising injury** arising out of any mechanically operated amusement device; or
 - 2. **personal injury** or **advertising injury** to any person while attending, practicing for or participating in any sports or athletic contest or exhibition, including but not limited to rodeos, tractor pulls, horse shows, automobile shows, running events, trail riding or any other recreational competition.

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(23) Punitive Damages, Attorneys' Fees, and Court Costs

Any judgment or claim, or any part thereof, for punitive damages, attorneys' fees, or court costs.

b. Any loss, cost or expense arising out of any:

- (1) request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
- (2) **claim** or **suit** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of **pollutants**; or
- (3) any **claim** or judgment, or any part thereof, for punitive damages, attorneys' fees, or court costs.

C. FIRE, EXPLOSION OR WATER DAMAGE LIABILITY

1. Insuring Agreement

We will pay those sums to which this insurance applies, that the **insured** becomes legally obligated to pay as **damages** because of **property damage** which occurs during the Policy Period caused by fire, explosion, lightning or **water damage** to premises, while rented to **you** or temporarily occupied by **you** with permission of the owner to which this insurance applies. The **property damage** must be caused by an **occurrence**. **We** will have the right and duty to defend any **suit** to which this insurance applies, seeking those **damages**, but:

- a. **we** may investigate any **occurrence** and settle any **claim** or **suit** at **our** discretion;
- b. the amount **we** will pay for damages is limited as described in SECTION III – LIMIT OF INSURANCE; and
- c. **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A. Bodily Injury and Property Damage Liability; Coverage B. Personal Injury and Advertising Injury Liability; Coverage C. Fire, Explosion or Water Damage Liability; or Coverage D. Medical Payments Liability.

2. Exclusions

Insurance under Coverage C. Fire, Explosion or Water Damage Liability does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any coverage part herein or other Coverage Form of this Policy. This insurance also does not apply to the following:

- a. Expected or Intended Injury

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Fire, explosion or **water damage** expected or intended from the standpoint of the **insured**.

b. Contractual Liability

Fire, explosion or **water damage** for which the **insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than liability:

- (1) assumed in a contract or agreement that is an **insured contract**; or
- (2) that the **insured** would have in the absence of the contract or agreement.

c. Explosion Damage

Property damage caused by an explosion resulting from any of the following:

- (1) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if the explosion, as described above, results in fire or **water damage** (if these causes of loss would be covered under this coverage form), **we** will pay for the **property damage** caused by that fire or **water damage**.

- (2) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by **you**, or operated under **your** control.

But if the explosion, as described above, results in fire (if this cause of loss would be covered under this coverage form), **we** will pay for the **property damage** caused by that fire.

- (3) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if explosion, as described above, results in fire or **water damage** (if these causes of loss would be covered under this coverage form), **we** will pay for the **property damage** caused by that fire or **water damage**.

d. Punitive Damages, Attorneys' Fees, and Court Costs

Any judgment or claim, or any part thereof, for punitive damages, attorneys' fees, or court costs.

D. MEDICAL PAYMENTS

1. Insuring Agreement

We will pay medical expenses as described below for **bodily injury** caused by an accident:

- a. on **your premises**; or
- b. because of **your operations**; provided that:

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- (1) the accident takes place in the **coverage territory** and during the Policy Period;
- (2) the expenses are incurred and reported to **us** within one year of the date of the accident; and
- (3) the injured person submits to examination, at **our** expense, by physicians of **our** choice as often as **we** reasonably require.

We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. **We** will pay reasonable expenses for;

- (a) first aid administered at the time of the accident;
- (b) necessary medical, surgical, x-ray, ophthalmologic, optometry and dental services, including prosthetic devices; and
- (c) necessary ambulance, hospital, professional nursing, optometry, ophthalmologic (including replacement of prescription eyeglasses) and funeral services.

2. Exclusions

This insurance does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other coverage part herein or other Coverage Form of this Policy. **We** will also not pay expenses for **bodily injury**:

- a. to any **insured**;
- b. to a person hired to do work for or on behalf of any **insured** or a tenant of any **insured**;
- c. to a person injured on that part of **your premises** that the person normally occupies;
- d. to a person, whether or not an **employee** of any **insured**, if benefits for the **bodily injury** are payable or must be provided under workers' compensation, disability benefits law, or a similar law;
- e. to a person injured while taking part in, supervising or instructing any physical sport including:
 - (1) physical training or practicing,
 - (2) athletic activities or contest, and
 - (3) recreational activities,whether such activities are organized or not, formal or informal;
- f. included within the **products-completed operations hazard**;
- g. excluded under Coverage A. Bodily Injury and Property Damage Liability;

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- h. due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution; or
- i. to any inmate of a county jail, or persons participating in work release or community service programs by virtue of court order or through a diversion program.

SUPPLEMENTARY PAYMENTS – COVERAGES A & B

We will pay, with respect to any **claim** or **suit** **we** defend:

1. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the **bodily injury** liability coverage applies. **We** do not have to furnish these bonds.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. **We** do not have to furnish these bonds.
3. All reasonable expenses incurred by the **insured** at **our** request, including actual loss of earnings up to \$500 a day because of time off from work.
4. Prejudgment interest awarded against the **insured** on the part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of insurance, **we** will not pay any prejudgment interest based on that period of time after the offer.
5. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limit of Insurance.

If **we** defend an **insured** against a **suit** and an indemnitee of the **insured** is also named as a party to the **suit**, **we** will defend that indemnitee if all of the following conditions are met:

1. The **suit** against the indemnitee seeks **damages** for which the **insured** has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
2. This insurance applies to such liability assumed by the **insured**;
3. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the **insured** in the same **insured contract**;
4. The allegations in the **suit** and the information **we** know about the **occurrence** are such that no conflict appears to exist between the interests of the **insured** and the interests of the indemnitee;
5. The indemnitee and the **insured** ask **us** to conduct and control the defense of that indemnitee against such **suit** and agree that **we** can assign the same counsel to defend the **insured** and the indemnitee; and
6. The indemnitee:
 - a. agrees in writing to:
 - (1) cooperate with **us** in the investigation, settlement or defense of the **suit**;

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- (2) immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the **suit**;
 - (3) notify any other insurer whose coverage is available to the indemnitee; and
 - (4) cooperate with **us** with respect to coordinating other applicable insurance available to the indemnitee; and
- b. provides **us** with written authorization to:
- (1) obtain records and other information related to the **suit**; and
 - (2) conduct and control the defense of the indemnitee in such **suit**.

So long as the above conditions are met, attorneys' fees incurred by **us** in the defense of that indemnitee, necessary litigation expenses incurred by **us** and necessary litigation expenses incurred by the indemnitee at **our** request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(1) of SECTION I – Coverage A – Bodily Injury and Property Damage Liability, such payments will not be deemed to be **damages** for **bodily injury** and **property damage** and will not reduce the limit of insurance.

Our obligation to defend an **insured's** indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when **we** have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph 6. above, are no longer met.

SECTION II -WHO IS AN INSURED

1. Each of the following is an **insured**:
 - a. **you**, the Public Entity named in the Declarations, are an **insured**;
 - b. **your** past, present or future lawfully elected, appointed or employed officials; but only with respect to their duties as **your** officials.

2. Each of the following is also an **insured**:
 - a. **your employees**, other than **your** officials, but only for acts within the scope of their employment by **you** or while performing duties related to the conduct of **your** business;
 - b. **your** volunteer worker(s), but only while acting at the direction of, and within the scope of their duties for **you**. This does not include any person working on retainer, as an independent contractor, or as a confidential informant, whether or not registered with a law enforcement agency and whether or not receiving compensation;
 - c. **your** nurses, paramedics and emergency medical technicians, but only while acting at the direction of, and within the scope of their duties for **you**;
 - d. any person (other than **your employees** or **your** volunteers) or any organization while acting as **your** real estate manager;
 - e. if **you** are a tenant and **your** lease agreement includes a provision requiring **you** to provide coverage for the liability of **your** landlord, **your** landlord, but only with

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respect to liability arising out of the ownership, maintenance, or use of that part of the premises leased to **you**;

- f. any person or organization that rents a premises to **you**, but only with respect to liability arising out of ownership, maintenance, or use of that part of the premises leased to **you**.

However,

- (1) no past, present or future lawfully elected, appointed or employed official, **employee**, volunteer worker, nurse, paramedic or emergency medical technician is an **insured** for:
- a. **bodily injury or personal injury**:
 - (i) to **you**, or
 - (ii) to:
 - (a) **your** past, present or future lawfully elected, appointed or employed official;
 - (b) **your employees**; or
 - (c) **your** volunteers including a nurse, paramedic or emergency medical technician while in the course of his or her employment or while performing duties related to the conduct of **your** business; or
 - (d) the spouse, child, parent, brother or sister of that **employee** or volunteer as a consequence of such **bodily injury or personal injury**; or
 - (e) any obligation to share **damages** with or repay someone else who must pay **damages** because of the **bodily injury or personal injury**.
 - b. **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by **you**, any of **your** past, present or future lawfully elected, appointed or employed officials, any of **your employees**, or any of **your** volunteers; and
- (2) no past, present or future lawfully elected, appointed or employed official, **employee**, volunteer, worker, nurse, paramedic or emergency medical technician is an **insured** for **bodily injury or personal injury** arising out of his or her providing or failing to provide the following services for which a license or authorization to practice such services is required under the laws of Kentucky or any other state:
- a. professional health care services as a physician, physician's assistant, osteopath, podiatrist or midwife.
 - b. professional dentistry as a dentist or dental hygienist.
 - c. professional pharmacy services as a pharmacist.
 - d. professional psychiatry services.
 - e. professional ophthalmologic and optometry services as an ophthalmologist and optometrist.
 - f. professional engineering or land surveying services.
 - g. professional geology services.
 - h. professional architect services.
 - i. professional chiropractic services.
 - j. professional public accounting services.

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- k. professional ophthalmologic dispensing services.
 - l. professional legal services .
 - m. nurse practitioners in their act of prescribing **narcotic medications**, whether or not a license or authorization to prescribe such medications is required.
- (3) With respect to **mobile equipment** registered in **your** name under any motor vehicle registration law, any person is an **insured** while operating such **mobile equipment** along a public highway with **your** permission. Any other person or organization responsible for the conduct of such person is also an **insured**, but only with respect to liability arising out of the operation of the **mobile equipment**, and only if no other insurance is available to that person or organization for this liability. However, no person or organization is an **insured** with respect to:
- a. **property damage** to property owned by, rented to, in the charge of or occupied by **you** or the employer of any person who is an **insured** under this provision.
 - b. **bodily injury** to a co-**employee** of the person driving the equipment.
- (4) The estates, heirs, legal representatives or assignees of deceased persons in 1.b. and 2. above who were **insureds** at the time of the **occurrence** upon which a **claim** is based will qualify as an **insured** provided the **claim** is made within one year of that person's death but only to the extent coverage applies to such deceased persons.
- (5) A mutual assistance pact, a joint powers agreement or a similar arrangement operated by **you**, under **your** control or under **your** jurisdiction will qualify as an **insured**, but only with respect to the conduct of **your** business and only to the extent of **your** participation or interest.
- (6) Any board (or member of the Board), commission (or member of the commission), governmental agency or subdivision, department, municipal body, not-for-profit corporation (member or director of the not for profit corporation) or other unit operated by **you** under **your** control or under **your** jurisdiction will qualify as an **insured** to the extent there is no other insurance providing coverage available to that organization and if such organization is identified in a Specified Boards, Commissions or Units Endorsement to this Policy.

SECTION III - LIMIT OF INSURANCE

1. The Limit of Insurance shown in the Declarations and the rules below determine the most **we** will pay regardless of the number of:
 - a. **insureds**;
 - b. **claims** made or **suits** brought; or
 - c. persons or organizations making **claims** or bringing **suits**.
2. The General Liability Each Occurrence Limit is the most **we** will pay on any one **occurrence** for the sum of all:
 - a. **damages** under Coverage A. Bodily Injury and Property Damage Liability;

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- b. **damages** under Coverage B. Personal Injury and Advertising Injury Liability;
 - c. **damages** under Coverage C. Fire, Explosion or Water Damage Liability; and
 - d. medical expenses under Coverage D. Medical Payments.
3. The General Liability Aggregate Limit is the most **we** will pay for the sum of:
- a. **damages** under Coverage A. Bodily Injury and Property Damage Liability.;
 - b. **damages** under Coverage B. Personal Injury and Advertising Injury Liability;
 - c. **damages** under Coverage C. Fire, Explosion or Water Damage Liability; and
 - d. medical expenses under Coverage D. Medical Payments.
4. The most **we** will pay under Coverage D. for all medical expenses because of **bodily injury** sustained by any one person arising out of any one **occurrence** is \$5,000 per person, subject to 2. and 3. above.

SECTION IV - GENERAL LIABILITY CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Duties In the Event Of An Occurrence, Offense, Claim or Suit
- a. The **insured** must notify **us** or one of **our** authorized agents promptly of an **occurrence** or offense which may result in a **claim** except as follows:
If **you** have announced to all of **your employees** that all **occurrences** or offenses must be reported and have established a reasonable procedure for doing so, knowledge of **employees** shall not be considered to be knowledge of the **insured** until **you**, an **executive officer**, partner or other persons employed by **you** in a supervisory capacity shall have received actual notice of such **occurrence** or offense. Notice of an **occurrence** or offense is not notice of a **claim**.
 - b. The **insured** must give **us** details of the **occurrence** or offense. Details include how, when and where the **occurrence** or offense took place.
 - c. The **insured** must help **us** to get the names and addresses of injured persons and witnesses.
 - d. If a **claim** is made or **suit** is brought against any **insured**, **you** must:
 - (1) immediately record the specifics of the **claim** or **suit** and the date received; and
 - (2) notify **us** in writing immediately.
 - e. Any **insured** involved in a **claim** or **suit** must:
 - (1) immediately send **us** copies of any legal papers received in connection with the **claim** or **suit**;
 - (2) authorize **us** to obtain records and other information;

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- (3) cooperate with **us** in the investigation, settlement or defense of the **claim** or **suit**; and
 - (4) upon **our** request, assist **us** in obtaining reimbursement in a reasonable manner from any person or organization which may be liable to any **insured** because of injury or damage to which this insurance may also apply.
- f. No **insureds** will, except at their own cost, make a payment, settle, assume any obligation, or incur any expense, other than for first aid without **our** consent.

2. Other Insurance

- a. Coverage provided under this Coverage Form is primary except as stated in b. and c. below. When this Coverage Form is primary, **our** obligations are not affected unless **you** have other insurance that is also primary. Then, **we** will share with all that other insurance by the method described in d. below
- b. To the extent coverage is provided by this Coverage Form for the following types of loss, coverage does not apply until the limits of all other insurance (including any deductibles) have been exhausted:
 - (1) losses resulting from the maintenance or use of aircraft, **autos** or watercraft to the extent not subject to exclusion g. of Coverage A;
 - (2) losses resulting from **your** liability for fire, explosion or **water damage**; or
 - (3) losses that are direct physical damage to **your work**.
- c. This insurance is excess over the other insurance, whether primary, excess, contingent or on any other basis that covers:
 - (1) with respect to **mobile equipment** registered in **your** name under any motor vehicle registration law and subject to paragraph (3), of SECTION II -WHO IS AN INSURED, any other person or organization responsible for the conduct of any person who is an **insured** operating such **mobile equipment** with **your** permission along a public highway.
 - (2) any board (or officer or member of the Board), commission (or officer or member of the Commission) governmental agency or subdivision, department, municipal body, not for profit corporation (or member, director or officer of the not for profit corporation) or other unit operated by **you**, under **your** control, or under **your** jurisdiction.
- d. Method of Sharing

If all of the other insurance permits contribution by equal shares, **we** will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, **we** will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limit of Insurance of all insurers.
- e. When this insurance is excess, **we** will have no duty to defend any **claim** or **suit** that any other insurer defends. If no other insurer defends, **we** will undertake to do so, but **we** will be entitled to exercise the **insured's** rights against all those other insurers.

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3. Transfer Of Rights Of Recovery Against Others To Us

Any person to whom or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything needed to secure and preserve these rights. He or she must do nothing after the loss that would jeopardize these rights.

4. Newly Acquired Or Formed Organizations

If **you** acquire or form a new organization:

- a. other than a partnership or joint venture, and
- b. over which **you** maintain ownership or majority interest,
you must report it to **us** promptly.

SECTION V - DEFINITIONS

1. **Advertising injury** - injury arising out of one or more of the following offenses:

- a. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. oral or written publication of material that violates a person's right of privacy;
- c. misappropriation of advertising ideas or style of doing business; or
- d. infringement of copyright, title or slogan;
arising out of advertising activities.

2. **Auto** –

- a. a land motor vehicle, trailer or semi trailer designed for travel on public roads, including any attached machinery or equipment; or
- b. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

But **auto** does not include **mobile equipment**.

3. **Bodily injury** - bodily injury, sickness or disease sustained by a person, including care, loss of services or death resulting from any of these at any time.

4. **Claim** –

- a. a **suit**; or
- b. a written demand or written notice by or for the injured person for **damages** because of alleged injury or stating the intent to hold an **insured** liable for **damages**.

5. **Coverage territory** – the United States of America (including its territories and possessions), Puerto Rico and Canada.

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6. **Dam** – any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which either (a) is 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; (b) has an impounding capacity of 50 acre-feet or more; or (c) has a Federal Hazard Classification as a High Hazard Dam. FEMA defines a High Hazard Dam as one where failure or mis-operation will probably cause loss of human life.

However, any such barrier which is not in excess of six feet in height, regardless of storage capacity, or which has a storage capacity not in excess of 15 acre-feet, regardless of height, shall not be considered a **dam**. No obstruction in a canal used to raise or lower water therein or divert water therefrom, no levee, including but not limited to a levee on the bed of a natural lake the primary purpose of which levee is to control floodwaters, no railroad fill or structure, tank constructed of steel or concrete or of a combination thereof, no tank elevated above the ground and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use shall be considered a **dam**. In addition, no obstruction in the channel of a stream or watercourse which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground shall be considered a **dam**.

7. **Damages** – monetary judgments, awards and settlements including back pay and front pay. However **damages** do not include:
- a. civil or criminal fines, sanctions, penalties, forfeiture, an award of attorneys' fees, an award of court costs, or a fine, penalty or other award imposed pursuant to the Kentucky Open Records Act or the Kentucky Open Meetings Act;
 - b. injunctive or equitable relief;
 - c. punitive damages; or
 - d. disgorgement of salary, wages or other compensation by any of **your** elected officials.
8. **Drone** - an unmanned aircraft, wheeled vehicle, or watercraft guided by remote control or that can navigate autonomously.
9. **Employee** - includes a **leased worker**. **Employee** does not include a **temporary worker**.
10. **Executive officer** - only a person holding any of the officer positions created by **your** charter, constitution or by-laws.
11. **Hostile fire** - a fire which becomes uncontrollable or breaks out from where it was intended to be.

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12. **Impaired property** - tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
- a. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. **you** have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- (1) the repair, replacement, adjustment or removal of **your product** or **your work**;
or
 - (2) **your** fulfilling the terms of the contract or agreement.
13. **Insured** - any person or organization qualifying as such under SECTION II - WHO IS AN INSURED of this Coverage Form.
14. **Insured's auto** - an **auto** owned or operated by or rented or loaned to any **insured**.
15. **Insured contract** -
- a. a contract for a lease of **your premises**; however, that portion of the contract for a lease of **your premises** that indemnifies any person or organization for damage by fire to premises while rented to **you** or temporarily occupied by **you** with permission of the owner is not an **insured contract**;
 - b. a sidetrack agreement;
 - c. any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. an elevator maintenance agreement;
 - f. that part of any other contract or agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a municipality) under which **you** assume the **tort liability** of another party to pay for **bodily injury** or **property damage** to a third person or organization.
- Paragraph f. does not include that part of any contract or agreement:
- (1) that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
 - (2) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

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- (b) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - (3) under which the **insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **insured's** rendering or failure to render professional services, including those listed in (2)(a) above and supervisory, inspection or engineering services.

- 16. **Leased worker** - a person leased to **you** by a labor leasing firm under an agreement between **you** and the labor leasing firm, to perform duties related to the conduct of **your** business. **Leased worker** does not include a **temporary worker**.

- 17. **Loading or unloading** - the handling of property:
 - a. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **auto**;
 - b. while it is in or on an aircraft, watercraft or **auto**; or
 - c. while it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;but **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **auto**.

- 18. **Mobile equipment** - any of the following types of land vehicles, including any attached machinery or equipment:
 - a. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. vehicles maintained for use solely on or next to **your premises**; however, any land motor vehicle, trailer or semi trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by **you** shall be deemed an **auto** and not **mobile equipment** if the only reason for considering it **mobile equipment** is that it is maintained for use exclusively on streets or highways owned by **you**;
 - c. vehicles that travel on crawler treads;
 - d. vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) power cranes, shovels, loaders, diggers or drills; or
 - (2) road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) air compressors, pumps and generators, including spraying, welding, building cleaning, geological exploration, lighting and well servicing equipment; or
 - (2) cherry pickers and similar devices used to raise or lower workers;

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- f. vehicles not described in a., b., c., d. or e. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- (1) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing; or
 - (c) street cleaning;
- (2) cherry pickers and similar devices mounted on an **auto** or truck chassis and used to raise or lower workers; and
- (3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, vehicles not described in a. through f. above which are designed for travel on public roads but not licensed are not **mobile equipment**.

Mobile Equipment does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **autos**.

19. **Narcotic medication** – any scheduled II thru V controlled substance as classified in KRS 218A.060, 218A.070, 218A.080, 218A.090, 218A.100, 218A.110, 218A.120, and 218A.130 under the conditions set forth in KRS 314.042 or any controlled substance listed by the Cabinet for Health and Family Services as a scheduled II through V controlled substance.
20. **Occurrence** - an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
21. **Personal injury** - injury other than **bodily injury**, arising out of one or more of the following offenses:
- a. false arrest, detention or imprisonment; or
 - b. malicious prosecution; or
 - c. wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of:
 - (1) a room,
 - (2) a dwelling, or
 - (3) **your** premises;that a person occupies by or on behalf of its owner, landlord or lessor; or
 - d. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. oral or written publication of material that violates a person's right of privacy.

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22. **Pollutants** - any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and **waste**.

23. **Products-completed operations hazard** -

- a. all **bodily injury** and **property damage** occurring away from **your premises** and arising out of **your product** or **your work** except:
 - (1) products that are still in **your** physical possession; or
 - (2) work that has not yet been completed or abandoned.
- b. **your work** will be deemed completed at the earliest of the following times:
 - (1) when all of the work called for in **your** contract has been completed;
 - (2) when all of the work to be done at the site has been completed if **your** contract calls for work at more than one site;
 - (3) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project; or
 - (4) work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete will be treated as completed.
- c. this hazard does not include **bodily injury** or **property damage** arising out of:
 - (1) the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the **loading or unloading** of it;
 - (2) the existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Liability Limit.

24. **Property damage** -

- a. physical injury to tangible property, except the **insured's** own property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. loss of use of tangible property, except the **insured's** own property, that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

For the purposes of this coverage, electronic data is not tangible property. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

25. **Sexual abuse** means sexual molestation, including but not limited to sexual exploitation, deliberate physical contact, mental abuse and illicit conduct not involving physical contact.

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Multiple acts of **sexual abuse** by the same person or persons, including any breach of duty with respect to employment, investigation, supervision, reporting or failing to report, or retention relating to any person or persons associated with an act or acts of **sexual abuse**, will be deemed to be one **occurrence**. The date of the **occurrence** will be deemed to be the date of the first act of **sexual abuse**.

26. **Suit** - a civil legal proceeding in which **damages** because of **bodily injury, property damage, personal injury or advertising injury** to which this insurance applies are alleged. **Suit** includes:
- a. an arbitration proceeding in which such **damages** are **claimed** and to which **you** must submit or do submit with **our** consent; or
 - b. any other alternative dispute resolution proceeding in which such **damages** are **claimed** and to which **you** submit with **our** consent.
27. **Temporary worker** - a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.
28. **Tort liability** - liability that would be imposed by law in the absence of any contract or agreement.
29. **Waste** - all waste including materials to be recycled, reconditioned or reclaimed.
30. **Water damage** - accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam, other than an automatic sprinkler system. **Water damage** does not include the cost of repairing or replacing the system or appliance from which the water or steam escapes.
31. **Your operations** - **your** customary business activities and operations occurring at **your premises**.
32. **Your premises** - a premises **you** own, occupy, or rent or a premises **you** utilize with the written consent of the owner or tenant thereof.
33. **Your product** -
- a. any goods or products other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) **you**;
 - (2) others trading under **your** name; or
 - (3) a person or organization whose business or assets **you** have acquired; and
 - b. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

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Your product includes:

- i. warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your product**; and
- ii. the providing or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

34. **Your work** -

- a. work or operations performed by **you** or on **your** behalf; and
- b. materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- i. warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your work**; and
- ii. the providing of or failure to provide warnings or instructions.

ENDORSEMENT TO GENERAL LIABILITY COVERAGE FORM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage document(s):

GENERAL LIABILITY COVERAGE FORM

The following language is added as Subsection g. of paragraph 2. of **SECTION II -WHO IS AN INSURED:**

- g. Notwithstanding anything contained in Paragraphs a. through f. above, no EMT, paramedic or ambulance services professional shall be covered hereunder if working for, on behalf of or under the supervision or direction of a person or entity other than **you** which is insured by **us** or any other carrier or entity authorized to provide liability insurance coverage regardless of whether such EMT, paramedic or ambulance services professional shall also be **your** employee.

**ENDORSEMENT TO GENERAL LIABILITY COVERAGE FORM
OF POLICY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage document:

GENERAL LIABILITY COVERAGE FORM

Under Section III – Limit of Insurance, and notwithstanding any other provision to the contrary, the most **we** will pay under Coverage A. Bodily Injury and Property Damage Liability regarding or in any way involving an **insured** which operates as a community action agency or provides community action agency type of services for the sum of all **damages** because of **bodily injury** or **property damage** included in the **products-completed operations hazard** is \$1,000,000.00.

VIOLENT EVENT RESPONSE COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage form:

GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Each Violent Event Limit – Crisis Expenses	\$750,000
Aggregate Limit – Crisis Expenses	\$750,000
Aggregate Limit – Crisis Property Improvements	\$25,000

A. COVERAGE

The following Violent Event Response Coverage is added to the General Liability Coverage Form, Section I – Coverages:

E. VIOLENT EVENT RESPONSE

1. Insuring Agreement

a. Crisis Expenses

We will reimburse **you** for **crisis expenses** that result from a **violent event** to which this insurance applies.

b. Limits

The most we will pay under the General Liability Coverage Form for coverage provided by this Endorsement is set forth in the Schedule shown above. Unless specifically addressed in this Endorsement, no other obligation or liability to pay sums or perform acts or services is covered.

This sublimit does not increase the applicable Each Occurrence Limit and Aggregate Limit under the General Liability Coverage Form and will erode those limits.

2. Covered Violent Events

This insurance applies to a **violent event** only if the **violent event**:

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- a. Commences during the Policy Period; and
- b. Takes place in the **coverage territory**.

3. Specific Conditions

We will reimburse crisis expenses only if:

- a. **You** notify the police if a law may have been broken in connection with a **violent event**.
- b. **You** notify **us** within 30 days of **your** having knowledge of the **violent event**;

Written notice should be as complete as possible, and must at least include information concerning how, when and where the **violent event** took place and a description of the **bodily injury** and any damage arising out of the **violent event**.

- c. The **crisis expenses** are incurred and reported to **us** within one year of the date of the **violent event**;
- d. **You** provide **us** with proof of payment and adequate documentation to verify the incurred expenses as **crisis expenses**; and
- e. **You** must not in any way jeopardize **our** rights after a **violent event**.
- f. **You** must:
 - i. Cooperate with **us** in the investigation of the **violent event**;
 - ii. Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to **you** for payment of **crisis expenses** to which this insurance may apply; and
 - iii. Provide a complete and detailed loss summary of the **crisis expenses** incurred and, if we so request, any additional information that **we** request within 30 days of **our** request.

4. Reimbursement

- a. **We** have no obligation to reimburse **you** for any amount of **crisis expenses** that are within or equal to **your** deductible.

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- b. If **your crisis expenses** exceed **your** deductible, **you** will be entitled to reimbursement by **us** under this Endorsement if **you** have complied with all of the conditions of this Policy. **You** must apply for reimbursement as soon as practicable after **your crisis expenses**.
- c. **You** must make every reasonable effort to reduce the amount of **crisis expenses**.
- d. **You** may incur **crisis expenses** without **our** consent, but the amount **we** reimburse will be subject to the terms of this Policy, and **we** will not reimburse **you** until **you** have complied with all the terms and conditions of this Policy.

5. Exclusions

We will not pay for **your crisis expenses** or any other loss, cost or expense arising directly or indirectly out of the following:

- a. War
 - i. War, including undeclared or civil war;
 - ii. 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;
 - iii. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or
 - iv. Confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- b. Workers' Compensation And Similar Laws

Any workers' compensation, unemployment insurance, social security or disability benefits law or any similar law.
- c. Employment-related Expense

Your employees' or officials' salaries, wages or any other employment-related expenses.
- d. Employee Benefit Plan Or Employee Assistance Plan

Any loss which is covered by an Employee Benefit Plan or Employee Assistance Plan.

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- e. Pollution
 - i. Any request, demand, order or statutory or regulatory requirement that an **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - ii. Any demand or **suit** by or on behalf of a governmental authority or others because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to or assessing the effects of **pollutants**.
- f. Improvement Of Real Or Personal Property

Consultant's services for physical improvements or alterations to **your premises**, or the costs of such improvements or alterations or replacement of real or personal property except to the extent that they are covered as **crisis property improvements**.
- g. Two Or More Coverages Issued By Us

Any loss, cost or expense that is covered elsewhere in this Policy or by any other policy issued by **us**.

B. DEFINITIONS

For the purposes of coverage afforded under this Endorsement:

1. **Bodily injury** means bodily injury, sickness, shock, fright, mental injury or anguish, emotional distress or disability sustained by a **victim**, including death resulting from any of these at any time.
2. **Crisis Expenses** means:
 - a. Crisis management service expenses **you** reasonably incur for services obtained in response to a **violent event**.
 - b. Reasonable expenses for temporary extra security protection, wages for temporary personnel or rental fees for temporary facilities in response to a **violent event**.
 - c. **Crisis Property Improvements**.
 - d. Reasonable expenses for first aid administered and emergency medical services rendered by any duly certified emergency medical technician, paramedic or nurse at the time of a **violent event**.

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3. **Crisis Property Improvements** mean reasonable expenses for equipment or property improvements made to **your premises** following a **violent event** that relate directly to the security of your **premises** and that may assist in prevention or mitigation of future **violent events**. **Crisis Property Improvements** do not include equipment or property improvements covered by other insurance or that were required by a statutory or regulatory requirement that was in effect before the **violent event** and with which **you** failed to comply even though **you** were required to do so.

4. **Premises** means any building, facility or other real property including adjoining ways, which **you** own, rent or lease and which is used at the time of the **violent event** as a place to conduct your operations or related activities. **Premises** does not include buildings, facilities, or other real property owned, rented or leased for activities that are under the management and direction of others and for which **you** are not legally liable or locations for events or activities not organized or sponsored by **you**.

5. **Victim** means:
 - a. An employee, including any full-time, part-time and temporary employee of **yours** acting within the course and scope of **your** business at the time the **violent event** takes place; and

 - b. Any person visiting **your premises** for purposes related to **your** operations, including but not limited to guest speakers and volunteers, in whose presence a **violent event** takes place.

Victim does not include any independent contractors or subcontracted personnel. **Victim** also does not include any person who has or is alleged to have made any attempt at, or knowingly participated in, or encouraged any **violent event**.

6. **Violent Event** means an event that is caused by an intentional criminal act or a series of related intentional criminal acts; and involves the use of a physical object, instrument, device, tool or weapon, other than the human body, for the purpose of injuring any person; and results in one or more **victims**, other than the perpetrator, sustaining bodily injury.

In the event of a sequence or series of related violent acts, the **violent event** will be deemed to have taken place at the time the first violent act began. All violent acts, regardless of how many **victims**, by the same perpetrator or two or more perpetrators acting in concert shall be considered one **violent event**.

C. TERRORISM

When a terrorism exclusion is made a part of the General Liability Coverage Form, any injury or damage excluded by that endorsement is amended to include **crisis expenses**.

D. RELATION TO REST OF POLICY

The provisions of this Endorsement amend the General Liability Coverage Form only to the extent set forth herein. All other terms, conditions, exclusions and limits of liability contained in the General Liability Coverage Form remain in full force and effect. If there is any conflict between this Endorsement and the rest of the Policy, this Endorsement shall govern with respect to the coverage provided herein.

ENDORSEMENT TO GENERAL LIABILITY COVERAGE FORM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage document(s):

GENERAL LIABILITY COVERAGE FORM

EXCLUSION FOR PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

The Coverage Document is modified to add the following exclusion:

1. Notwithstanding anything to the contrary in this Coverage Document, this Coverage Document does not provide coverage for the following:
 - a. any injury, damage, loss, cost or expense which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any Perfluoroalkyl or Polyfluoroalkyl Substance; or
 - b. any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, any Perfluoroalkyl or Polyfluoroalkyl Substance by any Covered Person or by any other person or entity.
2. For purposes of this exclusion, the term "Perfluoroalkyl or Polyfluoroalkyl Substance" means any—

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- a. chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to any:
 - i. polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
 - ii. perfluoroalkyl acids, such as perfluorooctanoic acid and its salts, or perfluorooctane sulfonic acid and its salts;
 - iii. perfluoropolyethers;
 - iv. fluorotelomer-based substances; or
 - v. side-chain fluorinated polymers; or
- b. good or product, including containers, materials, parts or equipment furnished in connection with any such good or product, that consists of or contains any chemical or substance described in Paragraph 2.a.

EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

Occurrence Form

This Coverage Form explains Employee Benefits Liability Coverage. Coverage is subject to the COMMON POLICY CONDITIONS and to all of the following provisions in the GENERAL LIABILITY COVERAGE FORM: SUPPLEMENTARY PAYMENTS - COVERAGES A & B, SECTION II - WHO IS AN INSURED, SECTION IV - GENERAL LIABILITY CONDITIONS and SECTION V - DEFINITIONS. Other obligation or liability to pay sums or perform acts or services is not covered unless explicitly provided for under the Insuring Agreement or Supplementary Payments.

This coverage is subject to exclusions that restrict coverage. The amount **we** will pay is limited as described under LIMITS OF INSURANCE. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

A. COVERAGE

1. Insuring Agreement

We will pay those sums that the **insured** becomes legally obligated to pay as **damages** arising from an **employee benefit incident**. No other obligation or liability to pay sums or perform acts or services is covered unless provided for under SUPPLEMENTARY PAYMENTS of this endorsement. The **employee benefit incident** must take place in the **coverage territory** during the policy period. **We** will have the right and duty to defend any **suit** to which this insurance applies, seeking **damages**, but:

- a. the amount **we** will pay for **damages** is limited as described in B. - LIMITS OF INSURANCE;
- b. **we** may at **our** discretion, investigate any report of an act, error or omission and settle any claim or **suit** that may result; and
- c. **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgments or settlements.

2. Exclusions

This insurance does not apply to:

- a. damages arising out of an **employee benefit incident** that first took place before the beginning of the policy period;
- b. loss arising out of any dishonest, fraudulent, criminal or malicious act or omission, committed by any **insured**;
- c. to **bodily injury, property damage, personal injury or advertising injury**;
- d. loss arising out of failure of performance of contract by any **insured**;
- e. loss arising out of an insufficiency of funds to meet any obligations under any plan included in the **employee benefit program**;

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- f. any claim or **suit** based upon:
 - (1) failure of any investment to perform as represented by any **insured**; or
 - (2) advice given to any person to participate or not to participate in any plan included in the **employee benefit program**;
- g. loss arising out of **your** failure to comply with the mandatory provisions of any law concerning workers' compensation, unemployment insurance, social security or disability benefits;
- h. loss for which the **insured** is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended;
- i. loss or damage for which benefits have accrued under the terms of an employee benefit plan to the extent that such benefits are available from funds accrued by the **insured** for such benefits or from collectible insurance, notwithstanding the **insured's** act, error or omission in administering the plan which precluded the claimant from receiving such benefits;
- j. loss resulting from any circumstance(s) where, as of the effective date of this policy, the **insured** had knowledge or could reasonably foresee such circumstance(s) which might result in a claim; or
- k. to loss as a result of actual or alleged discrimination or humiliation.

B. LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below determine the most **we** will pay regardless of the number of:
 - a. **insureds**;
 - b. claims made or **suits** brought;
 - c. persons or organizations making claims or bringing **suits**.
- 2. The 'Aggregate Limit' is the most we will pay for all **damages** under this coverage.
- 3. Subject to 2. above, the 'Each Employee Limit' is the most we will pay for all damages to any one **employee** including dependents and beneficiaries.

The Limits of Insurance of this Coverage Part apply separately to each Named **Insured**, each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after one or more 12 month periods for a period of less than 12 months. In that case the additional period will be deemed as part of the last preceding period for purposes of determining the Limits of Insurance.

C. CONDITIONS

Paragraph 2. Duties In the Event Of An Occurrence, Offense, Claim or Suit SECTION IV—GENERAL LIABILITY CONDITIONS is amended as follows:

Wherever the words **occurrence** or offense appear, they are replaced by the following words:

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act, error, omission, **occurrence** or offense.

D. DEFINITIONS

The definition of suit is deleted and replaced as follows:

Suit –

a civil proceeding in which **damages** because of an **employee benefits incident, bodily injury, property damage, personal injury or advertising injury** to which this insurance applies are alleged. **Suit** includes:

1. an arbitration proceeding in which such **damages** are claimed and to which **you** must submit or do submit with **our** consent; or
2. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which **you** submit with **our** consent.

The following definitions are added:

1. **Administration** -
 - a. counseling **employees**, including their dependents and beneficiaries, with respect to the **employee benefit program**;
 - b. handling records in connection with the **employee benefit program**; or
 - c. effecting or terminating any **employee's** participation in a plan included in the **employee benefit program**.
2. **Employee benefit incident** - an act, error or omissions committed in the **administration of your employee benefit program**. Any such acts, errors or omissions together with all related acts, errors or omissions, shall be considered one incident.
3. **Employee benefit program** - the following plans:
 - a. group life insurance, group accident or health insurance, **profit sharing plans**, IRS qualified pension plans and **stock subscription plans**, provided that no one other than an **employee** may subscribe to such insurance or plans;
 - b. unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - c. travel, savings or vacation plans;
 - d. any other similar plan designated in the Declarations or added thereto by endorsement.
4. **Profit sharing plans** - only such plans that are IRS qualified and equally available to all full time **employees**.
5. **Stock subscription plans** - only such plans that are IRS qualified and equally available to all full time **employees**.

**PUBLIC OFFICIALS AND EMPLOYEES
ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
Occurrence Form**

Throughout this Coverage Form the words **you** and **your** refer to the Named **Insured** shown in the Declarations, and any other person or organization qualifying as an **insured** under this Coverage Form. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in **bold** have special meaning. Refer to DEFINITIONS (SECTION V).

No obligation or liability to pay sums or perform acts or services is covered unless provided for under the Insuring Agreement applicable to this Coverage Form.

These coverages are subject to exclusions that restrict coverage. The amount **we** will pay is limited as described under LIMIT OF INSURANCE (SECTION III). Read the entire Policy carefully to determine rights, duties and what is and is not covered.

This insurance provides **occurrence** coverage.

**SECTION I – PUBLIC OFFICIALS AND EMPLOYEES ERRORS AND OMISSIONS
COVERAGE**

1. Insuring Agreement

- a. **We** will pay those sums that the **insured** becomes legally obligated to pay as **damages** because of a **wrongful act**. **We** will have the right and duty to defend any **claim** or **suit** to which this insurance applies seeking those **damages**, but
 - (1) **we** may investigate any **wrongful act** and settle any **claim** or **suit** at **our** discretion; and
 - (2) **our** right and duty to defend ends when **we** have used up the applicable Limit of Insurance in the payment of judgments or settlements under this coverage.
- b. Subject to a. above, this insurance applies to a **wrongful act** only if:
 - (1) the **wrongful act** is committed in the **coverage territory**; and
 - (2) the **wrongful act** occurs during the Policy Period.
- c. **We** have a duty to defend any **suit** seeking **damages** for **claims** against all **insureds**, even if any of the allegations of the **suit** are groundless, false or fraudulent. If the **claim** is made by reason of, is attributable to or is in any way related to an **intentional tort**, **we**

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shall still have the duty to defend such **claim** or **suit**; however, **we** shall not be liable for, nor shall **we** pay, that portion of any judgment on the **claim** against any **insured** that has been found to be the result of an **intentional tort** by any **insured**.

2. Exclusions

This insurance does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other Coverage Form of this Policy. This insurance also does not apply to any liability, injury, **damages**, loss, cost or expense:

- a. for **bodily injury, property damage, personal injury, or advertising injury**.
- b. expected or intended from the standpoint of the **insured**, including any **intentional tort**. The expected or intended **damages**, loss, cost or expense shall be imputed to any other **insured** in determining the applicability of this exclusion 2.b.
- c. in the nature of punitive damages, an award of attorneys' fees or court costs.
- d. arising out of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **damages** that the **insured** would have in the absence of the contract or agreement.
- e. which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- f. arising out of any:
 - (1) complaint, request, demand, rule or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (2) **claim** or **suit** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.
- g. arising out of the actual, alleged or threatened:
 - (1) inhalation of, ingestion of, or prolonged physical exposure to asbestos or products or work containing asbestos; or
 - (2) use of asbestos in **your work** or **your product** or the work or product of any person or organization for whom **you** may be legally responsible; or
 - (3) exposure to asbestos or products containing asbestos which are at any time removed from a building or a structure, transported, handled, stored, treated, disposed of, processed or manufactured by **you** or any person or any organization for whom **you** may be legally responsible.
- h. arising out of or in any way related to radiation or radioactive contamination.
- i. arising out of, or in any way related to, planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage facility or disposal site or any other nuclear facility.

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- j. based upon or attributable to an **insured** gaining in fact any personal profit or advantage to which the **insured** was not legally entitled.
- k. for the actual return by any **insured** of any remuneration paid in fact to any **insured** to which the **insured** is not legally entitled.
However, this exclusion does not apply if the allegations are in fact false.
- l. arising from the offering, purchase, sale, exchange, or issuance by any **insured** of securities of any **insured** subject to provisions of the Securities Act of 1933, Securities Exchange Act of 1934, or any other federal law or regulation applicable to the offering, sale, purchase, or exchange of securities, all as amended.
- m. by reason of any fraudulent, dishonest, criminal or malicious act or omission.
However, this exclusion does not apply if the allegations of such a **claim** or **suit** are in fact false.
- n. for which the **insured** is entitled to indemnity and or payment by reason of having given notice of any circumstance which might give rise to a **claim** under any policy or policies the term of which has expired prior to the inception date of this coverage.
- o. arising out of any **wrongful act** of **your** police department or any other law enforcement agency, correctional facility, detention facility, jail or holding facility of **yours** including their agents, **employees**, and/or confidential informants, whether or not registered with a law enforcement agency and whether or not receiving compensation.
- p. based on or attributable to any **wrongful act** in procuring, effecting and maintaining insurance, reinsurance, suretyship, annuity or endowment, or with respect to amount, form, conditions or provisions of that insurance, reinsurance, suretyship, annuity or endowment.
- q. arising out of:
 - (1) **your** activities in a fiduciary capacity including, but not limited to, **employee benefit programs**, or refund or collection of taxes; or
 - (2) acts, errors or omissions arising out of the administration of **your employee benefit program**.
- r. arising from **claims**, demands or actions seeking relief or redress, in any form other than money **damages**, or for fees or expenses relating to **claims**, demands or actions seeking relief or redress, in any form other than money **damages**.
- s. arising out of or in any way connected with the actions of any administrative board, by whatever name called, acting as a body in its official capacity and arising out of any of the following by whatever name called:
 - (1) eminent domain;
 - (2) takings;
 - (3) condemnation;
 - (4) inverse or reverse condemnation; or
 - (5) adverse possession or dedication by adverse use.
- t. arising out of any **intentional tort** or any **willful violation** of any state or federal constitution, law, statute or ordinance committed by or with the knowledge of, or implicit

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- or tacit approval or consent of, any **insured** (including without limitation, termination in retaliation for exercising rights to free speech and association).
- u. arising out of any activities at or arising from a hospital, clinic, medical center, continuing care facility, long term care facility, assisted living facility, trauma center, nursing home, convalescent home, home for the aged, home for the physically handicapped or orphaned, medical psychopathic institution, sanitarium, dispensary, infirmary, institution for the retarded and/or treatment of alcohol, drug, narcotic and/or mental cases and any other health care facility, that the **insured** uses, maintains, licenses, permits or inspects or located on any property the **insured** licenses, utilizes, occupies, rents or leases, including a sub-lease.
 - v. arising out of:
 - (1) strikes, lock outs, riots, civil commotion, war or terrorism;
 - (2) breach of contract;
 - (3) awards of back salary;
 - (4) the giving or failure to give financial, economic or investment advice, or in the rendering or failure to render financial or investment services;
 - (5) unfair competition;
 - (6) the ingestion, inhalation or absorption of lead in any form; or
 - (7) the presence of lead at **your premises**.
 - w. arising out of the following types of boards, commissions or units operating by or under **your** jurisdiction:
 - (1) schools;
 - (2) airports;
 - (3) any medical facility including, but not limited to, long term health care facilities, continuing care facility, assisted living homes, nursing homes and hospitals.
 - x. arising out of any **employment practices violation**.
 - y. arising out of the letting, contracting, procurement, acquisition, or purchase of contracts, goods, services, equipment, buildings, physical plants, facilities, materials and/or supplies, by any **insured**. For the purposes of determining the applicability of this exclusion, all acts or omissions of an **insured** shall be imputed to any other **insured**.
 - z. to **bodily injury, property damage, personal injury and advertising injury** arising out of:
 - 1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any **insured**, or
 - 2. The negligent:
 - a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to the proper authorities, or failure to so report; or
 - e. Retention;of a person for whom any **insured** is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

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aa. With respect to the operations of any carnival, circus, festival, fair, exhibition or property owned, leased, rented or occupied by the **insured** and used for recreational purposes, this insurance does not apply to any liability, injury, **damages**, loss, cost or expense:

1. arising out of any mechanically operated amusement device; or
2. any injury suffered by any person while attending, practicing for or participating in any sports or athletic contest or exhibition, including but not limited to rodeos, tractor pulls, demolition or stunting activity, horse shows, automobile shows, racing events, running events, trail riding or any other recreational competition or exhibition.

bb. any of the following:

(i) any liability, injury, damages, loss, cost or expense arising out of, caused by or contributed to by, ownership, non-ownership, maintenance, use or entrustment to others of any all terrain vehicle (ATV). Use includes operation and **loading** or **unloading**.

(ii) any liability, injury, damages, loss, cost or expense arising out of, caused by or contributed to by the use, design, construction or maintenance of any all terrain vehicle (ATV) trails.

This exclusion applies even if the **claims** against any **insured** allege negligence or wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**.

cc. arising out of the consumption or distribution of any alcoholic beverage.

This exclusion applies to all allegations including, but not limited to, negligent hiring, placement, training, supervision, or to any act, error or omission relating to the consumption or distribution of any alcoholic beverage.

dd. arising out of any violation of state and/or Federal wage and hour law.

ee. arising out of any tax credits or tax incentives or the application thereof; the formulation of tax rates; the assessment, appraisal or valuation of property; the assessment of taxes or other fees; the collection of taxes, fees or other amounts; and the distribution of tax refunds.

SECTION II - WHO IS AN INSURED

1. Each of the following is an **insured**:

- a. **you**, the Public Entity named in the Declarations, is an **insured**;
- b. **your** past, present or future lawfully elected, appointed or employed officials; but only with respect to their duties as **your** officials.

2. Each of the following is also an **insured**:

- a. **your employees**, other than **your** officials, but only for acts within the scope of their employment by **you** or while performing duties related to the conduct of **your** business;

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- b. **your** volunteer worker(s), but only while acting at the direction of, and within the scope of their duties for **you**. This does not include any person working on retainer, as an independent contractor, or as a confidential informant, whether or not registered with a law enforcement agency and whether or not receiving compensation;
- c. **your** nurses, paramedics and emergency medical technicians, but only while acting at the direction of, and within the scope of their duties for **you**.

However,

- (1) No **employee**, volunteer worker, nurse, paramedic or emergency medical technician is an **insured** for injury or damage:
 - (a) claimed by **you**, or
 - (b) to:
 - (i) **your employee**,
 - (ii) **your** volunteer, including a nurse, paramedic or emergency medical technician while in the course of his or her employment or while performing duties related to the conduct of **your** business; or to the spouse, child, parent, brother or sister of that **employee** or volunteer as a consequence of such injury or **damage** or for any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury or damage; and
- (2) No past, present or future lawfully elected, appointed or employed official, **employee**, volunteer, worker, paramedic or emergency medical technician is an **insured** for: **bodily injury, personal injury, or advertising injury** arising out of his or her providing or failing to provide the following services for which a license or authorization to practice is required under the laws of Kentucky or any other state:
 - (a) professional health care services as a physician, physician's assistant, osteopath, podiatrist or midwife.
 - (b) professional dentistry as a dentist or dental hygienist.
 - (c) professional pharmacy services as a pharmacist.
 - (d) professional psychiatry services.
 - (e) Professional ophthalmologic and optometry services as an ophthalmologist or optometrist.
 - (f) professional engineering or land surveying services.
 - (g) professional geology.
 - (h) professional architect services.
 - (i) professional chiropractic services.
 - (j) professional public accounting services.

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- (k) professional ophthalmologic dispensing services.
 - (l) professional legal services.
 - (m) nurse practitioners in their act of prescribing **narcotic medications**, whether or not a license or authorization to prescribe such medications is required.
3. The estates, heirs, legal representatives or assignees of deceased persons in 1.b. and 2. above who were **insureds** at the time of the **occurrence**, upon which a **claim** is based provided the **claim** is made within one year of that person's death but only to the extent coverage applies to such deceased persons.
 4. A mutual assistance pact, a joint powers agreement or a similar arrangement operated by **you**, under **your** control or under **your** jurisdiction will qualify as a Named **Insured**, but only with respect to the conduct of **your** business and only to the extent of **your** participation or interest.
 5. Any board (or member of the Board), commission (or member of the Commission), governmental agency or subdivision, department, municipal body, not-for-profit corporation (member or director of the not-for-profit corporation) or other unit operated by **you**, under **your** control or under **your** jurisdiction will qualify as a Named **Insured** to the extent there is no other insurance providing coverage available to that organization and if such organization is identified in a Specified Boards, Commissions or Units Endorsement to this Coverage Form.
 6. Any member of a board, commission or unit of a not-for-profit corporation, commission or unit which **you** designated or appointed as a member of such board, commission or unit.

SECTION III - LIMIT OF INSURANCE

1. The Limit of Insurance shown on the Declarations and the rules below determine the most **we** will pay regardless of the number of:
 - a. **insureds**;
 - b. **claims** made or **suits** brought; or
 - c. persons or organizations making **claims** or bringing **suits**.
2. The Each Occurrence Limit shown in the Declarations is the most **we** will pay for the sum of all **damages** because of each **wrongful act**.
3. The Aggregate Limit shown in the Declarations is the most **we** will pay for the sum of all **damages** under this coverage.

SECTION IV - CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Duties In the Event Of An Occurrence, Offense, Claim or Suit
 - a. The **insured** must notify **us** or one of **our** authorized agents promptly of an **occurrence** or offense which may result in a **claim** except as follows:
If **you** have announced to all of **your employees** that all **occurrences** or offenses must be reported and have established a reasonable procedure for doing so, knowledge of **employees** shall not be considered to be knowledge of the **insured** until **you**, an **executive officer**, partner or other persons employed by **you** in a supervisory capacity shall have received actual notice of such **occurrence** or offense.
Notice of an **occurrence** or offense is not notice of a **claim**.
 - b. The **insured** must give **us** details of the **occurrence** or offense. Details include how, when and where the **occurrence** or offense took place.
 - c. The **insured** must help **us** to get the names and addresses of injured persons and witnesses.
 - d. If a **claim** is made or **suit** is brought against any **insured**, **you** must:
 - (1) immediately record the specifics of the **claim** or **suit** and the date received; and
 - (2) notify **us** in writing immediately.
 - a. Any **insured** involved in a **claim** or **suit** must:
 - (1) immediately send **us** copies of any legal papers received in connection with the **claim** or **suit**;
 - (2) authorize **us** to obtain records and other information;
 - (3) cooperate with **us** in the investigation, settlement or defense of the **claim** or **suit**; and
 - (4) upon **our** request, assist **us** in obtaining reimbursement in a reasonable manner from any person or organization which may be liable to any **insured** because of injury or damage to which this insurance may also apply.
 - b. No **insureds** will, except at their own cost, make a payment, settle, assume any obligation, or incur any expense, other than for first aid without **our** consent.
2. Other Insurance
 - a. Coverage provided under this Coverage Form is primary except as stated in b. and c. below. When this Coverage Form is primary, **our** obligations are not affected unless **you** have other insurance that is also primary. Then, **we** will share with all that other insurance by the method described in d. below

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- b. To the extent coverage is provided by this Coverage Form for the following types of loss, coverage does not apply until the limits of all other insurance (including any deductibles) have been exhausted:
 - (1) losses resulting from the maintenance or use of aircraft, **autos** or watercraft to the extent not subject to exclusion g. of Coverage A;
 - (2) losses resulting from **your** liability for fire, explosion or **water damage**; or
 - (3) losses that are direct physical damage to **your work**.
- c. This insurance is excess over the other insurance, whether primary, excess, contingent or on any other basis that covers:
 - (1) with respect to **mobile equipment** registered in **your** name under any motor vehicle registration law and subject to paragraph 4, of Section II - WHO IS AN INSURED, any other person or organization responsible for the conduct of any person who is an **insured** operating such **mobile equipment** with **your** permission along a public highway.
 - (2) any board (or officer or member of the Board), commission (or officer or member of the Commission) governmental agency or subdivision, department, municipal body, not for profit corporation (or member, director or officer of the not for profit corporation) or other unit operated by **you**, under **your** control, or under **your** jurisdiction.
- d. Method of Sharing

If all of the other insurance permits contribution by equal shares, **we** will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, **we** will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limit of Insurance of all insurers.
- e. When this insurance is excess, **we** will have no duty to defend any **claim** or **suit** that any other insurer defends. If no other insurer defends, **we** will undertake to do so, but **we** will be entitled to exercise the **insured's** rights against all those other insurers.

3. Transfer Of Rights Of Recovery Against Others To Us

Any person to whom or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything needed to secure and preserve these rights. He or she must do nothing after the loss that would jeopardize these rights.

4. Newly Acquired Or Formed Organizations

If **you** acquire or form a new organization:

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- a. other than a partnership or joint venture, and
- b. over which **you** maintain ownership or majority interest,
you must report it to **us** promptly.

SECTION V - DEFINITIONS

1. **Advertising injury** - injury arising out of one or more of the following offenses:
 - a. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. oral or written publication of material that violates a person's right of privacy;
 - c. misappropriation of advertising ideas; or
 - d. infringement of copyright, title or slogan; arising out of advertising activities.
2. **Bodily injury** - bodily injury, sickness or disease sustained by a person, including care, loss of services or death resulting from any of these at any time.
3. **Claim** -
 - a. a **suit**; or
 - b. a written demand or written notice made by or for the injured person for **damages** because of alleged injury or stating the intent to hold an **insured** liable for **damages**.
4. **Coverage territory** - the United States of America (including its territories and possessions), Puerto Rico and Canada.
5. **Damages** – monetary judgments, awards and settlements including back pay and front pay. However, **damages** do not include:
 - a. civil or criminal fines, sanctions, penalties, forfeiture, an award of attorneys' fees, an award of court costs, or a fine, penalty or other award imposed pursuant to the Kentucky Open Records Act or the Kentucky Open Meetings Act;
 - b. injunctive or equitable relief;
 - c. punitive damages; or
 - d. disgorgement of salary, wages or other compensation by any of **your** elected officials.
5. **Employee** - includes a **leased worker**. **Employee** does not include a **temporary worker**.
6. **Employee benefit program** - the following plans:

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- a. group life, accident, health or disability insurance; profit sharing plans; IRS qualified pension plans and stock subscription plans; or
 - b. unemployment insurance, unemployment compensation, social security benefits, workers' compensation, disability benefits and retiree benefits; or
 - c. any other similar plan.
7. **Employment practices violation** - liability of the **insured**, or any obligation to share **damages** with or repay someone else who must pay **damages**, because of injury arising out of any of the following:
- a. wrongful dismissal, discharge or termination (either actual or constructive) of employment;
 - b. harassment, including sexual harassment whether "quid pro quo," hostile work environment or otherwise;
 - c. discrimination, including but not limited to, discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability;
 - d. employment related misrepresentation(s) to an **employee** or applicant for employment;
 - e. employment related libel, slander, humiliation, defamation or invasion of privacy;
 - f. wrongful failure to employ or promote;
 - g. wrongful deprivation of career opportunity, wrongful demotion or reassignment, or negligent **employee** evaluation, including the giving of negative or defamatory statements in connection with an **employee** reference;
 - h. wrongful discipline;
 - i. the Civil Rights Act of 1964 and amendments thereto, the Age Discrimination in Employment Act, the Equal Pay Act, the Americans With Disabilities Act and the Family and Medical Leave Act of 1993 or any other similar state or local statutes, rules or regulations; or
 - j. **claims** for retaliation due to the exercise of any constitutional, statutory, or common law protected rights; or
 - k. any federal, state or local statutes, rules or regulations, and any rules or regulations promulgated therefore or amendments thereto, including but not limited to the Employee Retirement Income Security Act of 1974 (ERISA), the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Occupational Safety and Health Act (OSHA), Title VII of the Civil Rights Act of 1964 and amendments thereto, the Age Discrimination in Employment Act, the Equal Pay Act, The Americans With Disabilities Act and the Family and Medical Leave Act of 1993;
- claimed by **your** current, former or potential **employee** arising out of their status as such.

However, **employment practices violation** does not include any liability for which coverage is provided under any other coverage part or Coverage Form of this Policy, including but not

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limited to the General Liability Coverage Part, or that would be covered except for the application of a deductible or any type of self-insurance or other mechanism by which the **insured** arranges for funding of legal liabilities, exhaustion of the Limit of Insurance, or the date on which the **claim** is made, or the act, error, omission, injury or damage occurred. **Employment practices violation** also does not include any liability for any termination of employment in retaliation for exercising rights to free speech and association.

All **claims** arising from:

- a. a series of related acts, violations, errors, omissions, neglects or breaches of duty as specified in 8.a. through 8.k. above, or
 - b. multiple acts, violations, errors, omissions, neglects or breaches of duty as specified in 8.a. through 8.k. above alleged in the same **claim** by one or more persons;
- shall constitute a single **employment practices violation** and shall be deemed to occur at the time of the first act, violation, error, omission, violation, neglect or breach of duty.

8. **Executive officer** – only a person holding any of the officer positions created by **your** charter, constitution or by-laws.
9. **Insured** - any person or organization qualifying as such under SECTION II - WHO IS AN INSURED of this Coverage Form.
10. **Intentional tort** –a tort which was committed with knowledge that committing the act was wrong or expected to produce a **wrongful act** or knowingly failing to correct a **wrongful act** after discovery. **Intentional tort** additionally means any action or inaction by the member or its **employees** in violation of any ordinance, regulation, statute or constitutional provision. **Intentional tort** shall also include any violation of the provisions of Americans With Disabilities Act or related statutes and any action taken by an **insured** or a **insured's employee** in violation of a person's constitutional or civil rights or in a retaliation for a person or persons exercising their constitutional rights to free speech or association.
11. **Leased worker** - a person leased to **you** by a labor leasing firm under an agreement between **you** and the labor leasing firm, to perform duties related to the conduct of **your** business. **Leased worker** does not include a **temporary worker**.
12. **Narcotic medication** – any scheduled II thru V controlled substance as classified in KRS 218A.060, 218A.070, 218A.080, 218A.090, 218A.100, 218A.110, 218A.120, and 218A.130 under the conditions set forth in KRS 314.042 or any controlled substance listed by the Cabinet for Health and Family Services as a scheduled II through V controlled substance.
13. **Occurrence** – an accident, including continuous repeated exposure to substantially the same general harmful conditions or a series of related **wrongful acts**.

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All **claims** arising from:

- a. a series of related acts, errors, omissions, neglects, or breaches of duty; or
- b. multiple acts, errors, omissions, neglects, or breaches of duty alleged in the same **claim** by one or more persons;

shall constitute a single **occurrence** and shall be deemed to occur at the time of the first act, error, omission, neglect or breach of duty.

14. **Personal injury** - injury other than **bodily injury**,

- a. arising out of one or more of the following offenses:
 - (1) false arrest, detention or imprisonment;
 - (2) malicious prosecution;
 - (3) wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of:
 - (a) a room;
 - (b) a dwelling; or
 - (c) your premises;that a person occupies by or on behalf of its owner, landlord or lessor;
 - (4) oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - (5) oral or written publication of material that violates a person's right of privacy.

15. **Pollutants** – any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

16. **Property damage** -

- a. physical injury to tangible property, except the **insured's** own property, including all resulting loss of use of that property; or
- b. loss of use of tangible property, except the **insured's** own property, that is not physically injured.

17. **Suit** - a civil, administrative or arbitration proceeding to which this Coverage Form applies in which a **wrongful act** is alleged. **Suit** includes:

- a. an arbitration proceeding in which such **damages** are claimed and to which **you** must submit or do submit with **our** consent; or
- b. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which **you** submit with **our** consent; or
- c. any local, state or federal employment proceeding.

18. **Temporary worker** - a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

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19. **Wrongful act** - any act, error, omission, neglect or breach of duty.

All **claims** arising from:

- a. a series of related acts, errors, omissions, neglects, or breaches of duty; or
- b. multiple acts, errors, omissions, neglects, or breaches of duty alleged in the same **claim** by one or more persons;

shall constitute a single **wrongful act** and shall be deemed to occur at the time of the first act, error, omission, neglect or breach of duty.

20. **Your premises** – a premises **you** own, occupy or rent or a premises **you** utilize with the written consent of the owner or tenant thereof.

21. **Your product** –

- a. any goods or products other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) **you**,
 - (2) others trading under **your** name, or
 - (3) a person or organization whose business or assets **you** have acquired; and
- b. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- a. warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your product**, and
- b. the providing or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

22. **Your work** -

- a. work or operations performed by **you** or on **your** behalf; and
- b. materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- i. warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your work**; and
- ii. the providing of or failure to provide warnings or instructions.

**ENDORSEMENT TO PUBLIC OFFICIALS AND EMPLOYEES
ERRORS AND OMISSIONS COVERAGE FORM**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage document(s):

PUBLIC OFFICIALS AND EMPLOYEES ERRORS AND OMISSIONS COVERAGE FORM

The following language is added as Subsection d. of paragraph 2 of **SECTION II -WHO IS AN INSURED:**

- d. Notwithstanding anything contained in Paragraphs a. through c. above, no EMT, paramedic or ambulance services professional shall be covered hereunder if working for, on behalf of or under the supervision or direction of a person or entity other than **you** which is insured by **us** or any other carrier or entity authorized to provide liability insurance coverage regardless of whether such EMT, paramedic or ambulance services professional shall also be **your** employee.

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM CLAIMS-MADE FORM

THIS COVERAGE FORM IS WRITTEN ON A CLAIMS MADE BASIS. THIS COVERAGE SECTION COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ THE FORM CAREFULLY.

Throughout this Coverage Form the words **you** and **your** refer to the Named **Insured** shown in the Declarations, and any other person or organization qualifying as an **insured** under this Coverage Form. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in **bold** have special meaning. Refer to DEFINITIONS (SECTION V).

No obligation or liability to pay sums or perform acts or services is covered unless provided for under the Insuring Agreement applicable to this Coverage Form.

These coverages are subject to exclusions that restrict coverage. The amount **we** will pay is limited as described under LIMIT OF INSURANCE (SECTION III). **Defense costs** will not reduce the available LIMIT OF INSURANCE. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

SECTION I - COVERAGE

A. Insuring Agreement

1. This insurance applies to an **employment practices violation** only if:
 - a. The **employment practices violation** takes place in the **coverage territory**; and
 - b. The **employment practices violation** did not commence before the Retroactive Date, or after the end of the policy period; and
 - c. The **claim** because of the **employment practices violation** is first made against any insured during the policy period and after the Retroactive Date and is reported to **us** during the policy period.

2. **We**:
 - (a) will pay those sums that the **insured** becomes legally obligated to pay as **damages** because of an **employment practices violation**;
 - (b) have the right and duty to defend any **suit** seeking those **damages**; and
 - (c) have the right but not the duty to defend any **suit** that does not seek **damages** to which this insurance applies.

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3. In connection with 2(a) above:

- (a) **we** may investigate any **employment practices violation** and settle any **claim** at **our** discretion; and
- (b) **our** right and duty to defend ends when **we** have used up the applicable Limit of Insurance in the payment of judgments or settlements under this coverage.

B. Exclusions

This insurance does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other Coverage Form of this Policy. This insurance also does not apply to any liability, injury, **damages**, loss, cost or expense:

- a. for **bodily injury** (other than emotional distress or mental anguish), **property damage**, **personal injury**, or **advertising injury**.
- b. expected or intended from the standpoint of the **insured**. The **employment practices violation** of an **insured** shall not be imputed to any other **insured** for the purposes of determining the applicability of this exclusion.
- c. arising out of:
 - (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time;
 - (2) any request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the affects of **pollutants**; or
 - (2) any **claim** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.
- d. arising out of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **damages** that the **insured** would have in the absence of the contract or agreement.
- e. arising out of the actual, alleged or threatened:
 - (1) inhalation of, ingestion of, or prolonged physical exposure to asbestos or lead or products or work containing asbestos or lead; or
 - (2) presence of asbestos or lead at a premises **you** own, occupy or rent.
- f. arising out of or in any way related to radiation or radioactive contamination.
- g. arising out of, or in any way related to, planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage facility or disposal site or any other nuclear facility.
- h. arising out of or related to breach of contract whether oral, written or implied.
- i. for the return by any **insured** of any remuneration paid in fact to them if payment of that remuneration is held to be in violation of law. This exclusion i. does not apply to such allegations if proven to be false.
- j. arising from the offering, purchase, sale, exchange, or issuance by any **insured** of securities of any **insured** subject to provisions of the Securities Act of 1933, Securities

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Exchange Act of 1934, or any other federal or state law or federal or state regulations applicable to the offering, sale, purchase, or exchange of securities, all as amended.

- k. by reason of, arising out of or based upon:
- (1) any fraudulent, dishonest, criminal or malicious act or omission committed by the **insured**, with the consent of or at the direction of any **insured**, or with the implicit or tacit consent or approval of any **insured**.
 - (2) any willful or intentional violation of any state or federal constitution, law, statute or ordinance committed by the **insured**, with the knowledge or consent of any **insured** (including, without limitation, termination in retaliation for exercising rights to free speech and association).
 - (3) the **insured** gaining in fact any personal profit or advantage to which the **insured** was not legally entitled.

This exclusion k. does not apply to such allegations if proven to be false.

- l. for which the **insured** is entitled to indemnity and or payment by reason of having given notice of any circumstance which might give rise to a **claim** under any Policy or Policies the term of which has expired prior to the inception date of this coverage.
- m. arising out of the letting, contracting, procurement, acquisition or purchase of contracts, goods, services, equipment, buildings, facilities, physical plants, materials and/or supplies. The **employment practices violation** of an **insured** shall be imputed to all other **insureds** for the purposes of determining the application of this exclusion m.
- n. alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related **employment practices violation** alleged or contained in, any **claim** which has been reported, or in any circumstances of which notice has been given, under any Policy of which this Policy is a renewal or replacement or which it may succeed in time.
- o. alleging, arising out of, based upon or attributable to any pending or prior (1) litigation; or (2) EEOC (or similar state, local or foreign agency) proceeding or investigation of which an **insured** had notice, as of the commencement of the Policy Period, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or EEOC (or similar state, local or foreign agency) proceeding or investigation.
- p. with respect to serving in a capacity as a director, officer, trustee or governor of an **outside entity**, for any **employment practices violation** occurring prior to the commencement of the Policy Period if the **insured** knew or could have reasonably foreseen that such **employment practices violation** could lead to a **claim** under this Policy.
- q. alleging, arising out of, based upon or attributable to any actual or alleged act or omission of an **insured** serving in any capacity with an **outside entity**.
- r. for **bodily injury**, sickness, disease or death of any person.
- s. for violation(s) of any of the responsibilities, obligations or duties imposed by the Employment Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules and regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state or foreign statutory law or common law; provided, however, this exclusion shall not apply to a **claim** for retaliation.

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- t. alleging, arising out of, based upon or attributable to any obligation pursuant to any workers' compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; provided, however, this exclusion shall not apply to a **claim** for retaliation.
- u. alleging, arising out of, based upon or attributable to any violation of an individual's employment for exercising any state or federal constitutional, statutory, or common law rights to free speech and/or association. The **employment practices violation** of an **insured** shall be imputed to all other **insureds** for the purposes of determining the applicability of this exclusion u.
- v. for punitive damages, for an award of attorneys' fees or an award of court costs.
- w. arising out of or in any way connected with the actions of any administrative board, by whatever name called, acting as a body in its official capacity and arising out of any of the following by whatever name called:
 - (1) eminent domain,
 - (2) land use planning,
 - (3) municipal zoning,
 - (4) condemnation,
 - (5) inverse or reverse condemnation, or
 - (6) adverse possession or dedication by adverse use.
- x. arising out of strikes, lock outs, riots, civil commotion, war or terrorism.
- y. for complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.
- z. This insurance does not apply to **bodily injury, property damage, personal injury** and **advertising injury** arising out of:
 - 1. The actual or threatened abuse or molestation by anyone or any person while in the care, custody or control of any **insured**, or
 - 2. The negligent:
 - a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to the proper authorities, or failure to so report; or
 - e. Retention;of a person for whom any **insured** is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

SECTION II - WHO IS AN INSURED

- 1. Each of the following is an **insured**:
 - a. **you**, the Public Entity named in the Declarations, are an **insured**; and

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b. **your** past, present or future lawfully elected, appointed or employed officials; but only with respect to their duties as **your** officials.

2. Each of the following is also an **insured**:

- a. **your employees**, other than **your** officials, but only for acts within the scope of their employment by **you** or while performing duties related to the conduct of **your** business;
- b. **your** volunteer worker(s) but only while acting at the direction of, and within the scope of their duties for **you**. This does not include any person working on retainer, as an independent contractor, or as a confidential informant, whether or not registered with a law enforcement agency and whether or not receiving compensation.
- c. **your** nurses, paramedics and emergency medical technicians but only while acting at the direction of, and within the scope of their duties for you.

However,

- (1) No **employee**, volunteer worker, nurse, paramedic or emergency medical technician is an **insured** for injury or damage:
 - (a) claimed by **you**, or
 - (b) to:
 - (i) **your employee**,
 - (ii) **your** volunteer, including a nurse, paramedic or emergency medical technician while in the course of his or her employment or while performing duties related to the conduct of **your** business; or to the spouse, child, parent, brother or sister of that **employee** or volunteer as a consequence of such injury or **damage** or for any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury or damage; and
- (2) No **employee** or volunteer is an **insured** arising out of his or her providing or failing to provide professional services as an architect, engineer or surveyor, doctor, attorney or accountant. This exclusion shall not apply to **claims** made against **insureds** while acting solely as your **employees** or volunteers and not in their professional capacities as such.

3. The estates, heirs, legal representatives or assignees of deceased persons in 1.b., 2.a., 2.b. and 2.c. above who were **insureds** at the time of the **employment practices violation** upon which a **claim** is based provided the **claim** is made within one year of that person's death but only to the extent coverage applies to such deceased persons.

4. A mutual assistance pact, a joint powers agreement or a similar arrangement operated by **you**, under **your** control or under **your** jurisdiction will qualify as a Named **Insured**, but only with respect to the conduct of **your** business and only to the extent of **your** participation or interest.

5. Any board, commission, governmental agency or subdivision, department, municipal body, not-for-profit corporation or other unit operated by **you** or under **your** jurisdiction will qualify as an additional Named **Insured** if there is no other insurance providing coverage

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available to that organization and if such organization is identified in a "Specified Board, Commissions or Units Endorsement" to this Coverage Form.

SECTION III - LIMIT OF INSURANCE

1. The Limit of Insurance shown on the Declarations and the rules below determine the most **we** will pay regardless of the number of:
 - a. **insureds**;
 - b. **claims** made or **suits** brought; or
 - c. persons or organizations making **claims** or bringing **suits**.
2. **We** will not pay more than \$50,000 per claimant, \$500,000 in the aggregate, for lost wages or back pay **damages** because of **employment practices violation(s)**. The Aggregate Limit shown in the Declarations is the most **we** will pay for the sum of all **damages** under this coverage.
3. Subject to 2. above, the each **Employment Practices Violation** limit shown in the Declarations is the most **we** will pay for the sum of all **damages** because of **employment practices violation(s)**.
4. **Defense costs** are paid or payable by **us** in addition to the Limit of Insurance.

The Limit of Insurance of this Coverage Part applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after one or more 12 month period for a period of less than 12 months. In that case the additional period will be deemed as part of the last preceding period for purposes of determining the Limit of Insurance.

SECTION IV - CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Duties in the Event of an Employment Practices Violation
 - a. An **insured** must notify **us** promptly of an **employment practices violation** which may result in a **claim** except as follows:

If **you** have announced to all of **your employees** that any **employment practices violation** must be reported and have established a reasonable procedure for doing so, knowledge of **employees** shall not be considered to be knowledge of the **insured** until **you**, an **executive officer**, elective or appointed officer, a member of any board or commission or agency of **yours**, or other persons employed by **you** in a supervisory capacity shall have received actual notice of such **employment practices violation**.

Notice of an **employment practices violation** is not notice of a **claim**.

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- b. If a **claim** is received by any **insured**, **you** must:
 - (1) immediately record the specifics of the **claim** or a **suit** and the date received;
 - (2) notify **us** in writing immediately;
- c. The notification to **us** required in the preceding sections a. and b. must be made during the policy period and after the Retroactive Date.
- d. **You** and any other involved **insured** must:
 - (1) immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the **claim** or a **suit**;
 - (2) authorize **us** to obtain records and other information;
 - (3) cooperate with **us** in the investigation, settlement or defense of the **claim** or **suit**; and
 - (4) assist **us**, upon our request, in the enforcement of any right against any person or organization, which may be liable to the **insured** because of injury or damage to which this insurance may also apply.
- e. No **insureds** will, except at their own cost, make a payment, settle, assume any obligation, or incur any expense, without **our** consent.

2. Other Insurance

- a. Coverage provided under this Coverage Form is primary except as stated in paragraph b. below. When this Coverage Form is primary, **our** obligations are not affected unless **you** have other insurance that is also primary. Then, **we** will pay only the amount of **your damages** described in paragraph c. below. As used herein, other insurance includes any type of self-insurance or other mechanism by which the **insured** arranges for funding of legal liabilities.
- b. This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:
 - 1. that covers an organization that the Named **Insured** acquires or forms, subject to provision 5, of SECTION II – Who Is An Insured.
 - 2. that provides coverage for professional services of an architect, engineer, surveyor, attorney, doctor or accountant for work done or services provided on **your** behalf.

When this insurance is excess, **we** will have no duty to defend any **claim** that any other insurer has a duty to defend. If no other insurer defends, **we** will undertake to do so, but **we** will be entitled to exercise the **insured's** rights against all those other insurers.

When this insurance is excess over other insurance, **we** will pay only **our** share of the amount of loss, if any, that exceeds the sum of:

- 1. the total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- 2. the total of all deductible and self-insured amounts under all such other insurance.

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We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limit of Insurance shown in the Declarations.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, **we** will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, **we** will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limit of Insurance of all insurers.

3. Transfer of Rights of Recovery Against Others To Us

Any person to whom or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything needed to secure and preserve these rights. He or she must do nothing after the loss that would jeopardize them.

SECTION V - DEFINITIONS

1. **Advertising injury** - injury arising out of one or more of the following offenses:
 - a. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. oral or written publication of material that violates a person's right of privacy;
 - c. misappropriation of advertising ideas; or
 - d. infringement of copyright, title or slogan; arising out of advertising activities.
2. **Bodily Injury** - bodily injury, sickness or disease sustained by a person, including care, loss of services or death resulting from any of these at any time.
3. **Claim** -
 - a. a civil, administrative or arbitration proceeding for monetary or non-monetary relief; or
 - b. a written demand or written notice made by or for the injured person for **damages** because of alleged injury or stating the intent to hold an **insured** liable for **damages** (including any request to waive any statute of limitations); or
 - c. an Equal Opportunity Employment Commission ("EEOC") (or similar statute or local agency) proceeding or investigation of which notice has been given to an **insured**.

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4. **Coverage territory** - the United States of America (including its territories and possessions), Puerto Rico and Canada.
5. **Damages** – monetary judgments, awards and settlements including back pay and front pay. However, **damages** do not include:
 - a. civil or criminal fines, sanctions, penalties, forfeiture, an award of attorneys' fees, an award of court costs, or a fine, penalty or other award imposed pursuant to the Kentucky Open Records Act or the Kentucky Open Meetings Act;
 - b. injunctive or equitable relief;
 - c. punitive damages; or
 - d. disgorgement of salary, wages or other compensation by any of **your** elected officials.
6. **Defense costs** – reasonable and necessary fees, costs and expenses consented to and incurred by **us** (including without limitation premiums for any appeal bond, attachment bond, or similar bond, but without any obligation to apply for or furnish such bond, attorneys' fees and expenses, expert witness fees and expenses and court costs) resulting solely from the investigation, adjustment, defense and appeal of a **claim** or **suit** against the **insured(s)**.
7. **Employee** - includes a **leased worker** and a **temporary worker**.
8. **Employee benefit program** – the following plans:
 - a. group life, accident, health or disability insurance; profit sharing plans; IRS qualified pension plans and stock subscription plans; or
 - b. unemployment insurance, unemployment compensation, social security benefits, workers' compensation, disability benefits and retiree benefits; or
 - c. any other similar plan.
9. **Employer's liability** – liability for **bodily injury** by accident or **bodily injury** by disease arising out of and in the course of an injured **employee's** employment by **you**.
10. **Employment contract** – any contract, including an implied contract, of employment between **you** and an **employee**.
11. **Employment liability** – any of the following:
 - a. liability, including **statutory liability**, arising out of any act, error or omission claimed by **your employee**, **your former employee** or **your potential employee** arising out of their status as such; or the spouse, child, parent, brother or sister of that person at whom any of the acts, errors or omissions are directed.
Such liability is **employment liability**:
 - (1) whether the **insured** may be liable as an employer or in any other capacity;
and

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- (2) includes any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.
- b. liability arising out of, or attributable to any obligation pursuant to, **your employee benefit program**; or
- c. **employer's liability**.

12. **Employment practices violation -**

- a. liability of the **insured** as an employer, or any obligation to share **damages** with or repay someone else who must pay **damages**, because of injury arising out of any of the following:
 - (1) wrongful dismissal, discharge or termination (either actual or constructive) of employment;
 - (2) harassment, including sexual harassment whether "quid pro quo," hostile work environment or otherwise;
 - (3) discrimination, including but not limited to, discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability;
 - (4) employment-related misrepresentation(s) to an **employee** or applicant for employment;
 - (5) employment-related libel, slander, humiliation, defamation or invasion of privacy;
 - (6) wrongful failure to employ or promote;
 - (7) wrongful deprivation of career opportunity, wrongful demotion or reassignment, or negligent **employee** evaluation, including the giving of negative or defamatory statements in connection with an **employee** reference;
 - (8) wrongful discipline; or
 - (9) Title VII of the Civil Rights Act of 1964 and amendments thereto, the Age Discrimination in Employment Act, the Equal Pay Act, the Americans With Disabilities Act and the Family and Medical Leave Act of 1993 or any other similar state or local statutes, rules or regulations;

claimed by **your** current, former or potential **employee** arising out of their status as such.

However, **employment practices violation** does not include any liability for which coverage is provided under any other coverage of this Policy, including but not limited to the General Liability Coverage Part or that would be covered except for the application of a deductible or any type of self-insurance or other mechanism by which the **insured** arranges for funding of legal liabilities, exhaustion of the Limit of Insurance, or the date on which the **claim** is made, or the act, error, omission, injury or damage occurred. **Employment practices violation** also does not include any liability for any termination of employment in retaliation for exercising rights to free speech and association.

13. **Executive officer** – only a person holding any of the officer positions created by **your** charter, constitution or by-laws.

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14. **Insured** – any person or organization qualifying as such under SECTION II - WHO IS AN INSURED of this Coverage Form.
15. **Leased worker** – a person leased to **you** by a labor leasing firm under an agreement between **you** and the labor leasing firm, to perform duties related to the conduct of **your** business. **Leased worker** does not include a **temporary worker**.
16. **Outside entity** -
- a. a nonprofit organization recognized as tax exempt under 501(c) of the Internal Revenue Code of 1986; and
 - b. any other association, corporation, partnership, joint venture or limited liability company, not identified pursuant to Section II – WHO IS AN INSURED, paragraph 5. of this Coverage Form.
17. **Personal injury** - injury other than **bodily injury**,
- a. arising out of one or more of the following offenses:
 - (1) false arrest, detention or imprisonment
 - (2) malicious prosecution;
 - (3) the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - (4) oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - (5) oral or written publication of material that violates a person's right of privacy.
18. **Pollutants** – any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.
19. **Property damage** -
- a. physical injury to tangible property, including all resulting loss of use of that property; or
 - b. loss of use of tangible property that is not physically injured.
20. **Suit** – a civil or administrative proceeding to which this Coverage Form applies in which **damages** because of an **employment practices violation** are alleged.
- a. **Suit** includes:
 - (1) an arbitration proceeding in which such **damages** are **claimed** and to which the **insured** must submit or does submit with **our** consent;
 - (2) any other alternative dispute resolution proceeding in which such **damages** are **claimed** and to which the **insured** submits with **our** consent.

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21. **Temporary worker** - a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.
22. **Wrongful act** - any act, error, omission, neglect or breach of duty. All **claims** arising from:
- a. a series of related acts, errors, omissions, neglects or breaches of duty; or
 - b. multiple acts, errors, omissions, neglects, or breaches of duty alleged in the same **claim** by one or more persons;
- shall constitute a single **wrongful act** and shall be deemed to occur at the time of the first act, error, omission, neglect or breach of duty.

LAW ENFORCEMENT LIABILITY COVERAGE FORM

This Coverage Form explains **YOUR LAW ENFORCEMENT LIABILITY COVERAGE**. The coverages referenced in this Coverage Form are:

- Coverage A. Bodily Injury and Property Damage Liability
- Coverage B. Personal Injury and Advertising Injury Liability

No obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the insuring agreement applicable to these coverages.

These coverages are subject to exclusions that restrict coverage. The amount **we** will pay is limited as described under LIMIT OF INSURANCE (SECTION III). Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words **you** and **your** refer to the Named **Insured** shown in the Declarations, and any other person or organization qualifying as an **insured** under this Coverage Form. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in **bold** have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES

A. **BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

1. Insuring Agreement

We will pay those sums that the **insured** becomes legally obligated to pay as **damages** for **bodily injury** or **property damage** because of a **law enforcement incident** to which this insurance applies. **We** will have the right and duty to defend any **suit** to which this insurance applies, seeking those **damages**, but:

- a. **we** may investigate any **law enforcement incident** and settle any **claim** or **suit** at **our** discretion; and
- b. **our** right and duty to defend ends when **we** have used up the applicable Limit of Insurance in the payment of judgments or settlements under this coverage.

Subject to the foregoing, this insurance applies to a **law enforcement incident** only if:

- a. the **law enforcement incident** is committed in the **coverage territory** during the Policy Period; and
- b. prior to the Policy Period, no **insured** listed under Paragraph 1. of SECTION II – WHO IS AN INSURED or any **employee** authorized by **you** to give or receive notice

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of an **occurrence** or **claim**, knew that the **bodily injury** or **property damage** had occurred, in whole or in part. If such a listed **insurer** or authorized **employee** knew, prior to the Policy Period, that the **bodily injury** or **property damage** had occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the Policy Period will be deemed to have been known prior to the Policy Period.

Bodily injury or **property damage** which occurs during the Policy Period and was not, prior to the Policy Period, known to have occurred by any **insured** listed under Paragraph 1. of SECTION II – WHO IS AN INSURED or any **employee** authorized by **you** to give or receive notice of an **occurrence** or **claim**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the Policy Period.

Bodily injury or **property damage** will be deemed to have been known to have occurred at the earliest time when any **insured** listed under Paragraph 1. of SECTION II – WHO IS AN INSURED or any **employee** authorized by **you** to give or receive notice of an or **occurrence** or **claim**:

- a. reports all, or any part, of the **bodily injury** or **property damage** to **us** or to any other insurer;
- b. receives a written or verbal demand or **claim** for **damages** because of the **bodily injury** or **property damage**; or
- c. becomes aware by any other means that **bodily injury** or **property damage** has occurred or has begun to occur.

2. Exclusions

Insurance under Coverage A. Bodily Injury and Property Damage Liability does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other coverage part herein or other Coverage Form of this Policy. This insurance also does not apply to the following:

a. Expected or Intended Injury

Bodily injury or **property damage** expected or intended from the standpoint of the **insured**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

Bodily injury or **property damage** for which the **insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **damages**:

- (1) assumed in a contract or agreement that is an **insured contract** provided that the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement; or
- (2) that the **insured** would have in the absence of the contract or agreement.

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c. Liquor Liability

Bodily injury or property damage for which any insured may be held liable by reason of:

- (1) causing or contributing to the intoxication of a person;
- (2) the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) any statute, ordinance or regulation relating to the sale, gift, distribution or use of any alcoholic beverages.

This exclusion applies even if the **claims** against any **insured** allege negligence or other wrongdoing in:

- (1) the supervision, hiring, employment, training or monitoring of others by that **insured**; or
- (2) providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the **occurrence** which caused the **bodily injury or property damage** involved that which is described in Paragraph (1), (2), or (3) above. However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation and Similar Laws

Any obligation of the **insured** under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

- (1) **Bodily injury** to an **employee** of the **insured** arising out of and in the course of:
 - (a) employment by the **insured**; or
 - (b) performing duties related to the conduct of the **insured's** business; or
- (2) **Bodily injury** to the spouse, child, parent, brother or sister of that **employee** as a consequence of (1) above.
- (3) **Bodily injury** arising out of any demotion, harassment, discrimination, humiliation, or other employment-related practices, acts, or omissions.

This exclusion applies:

- (i) whether the **insured** may be liable as an employer or in any other capacity; or
- (ii) to any obligation to share **damages** with or repay someone else who must pay **damages** because of the injury.

This exclusion does not apply to liability of others assumed by the **insured** under an **insured contract** provided that the **bodily injury or property damage** occurs subsequent to the execution of the **insured contract**.

f. Pollution

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- (1) **Bodily injury or property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - (a) at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **insured**;
 - (b) at or from any premises, site or location which is or was at any time used by or for any **insured** or others for the handling, storage, disposal, processing or treatment of **waste**;
 - (c) which are or were at any time transported, handled, stored, treated, disposed of, or processed as **waste** by or for any **insured** or any person or organization for which **you** may be legally responsible; or
 - (d) at or from any premises, site or location on which any **insured** or any contractors or subcontractors working directly or indirectly on any **insured's** behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **pollutants**.
- (2) Any loss, cost or expense arising out of any:
 - (a) request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (b) **claim or suit** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.
- (3) Paragraph (1) of this exclusion does not apply to pesticide or herbicide applicators if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those conditions. The maximum amount payable for pesticide or herbicide liability shall not exceed \$250,000.
- (4) Paragraph (1)(a) of this exclusion does not apply to:
 - (a) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
 - (b) **bodily injury or property damage** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (c) **property damage** to a building or its contents if caused by sewage resulting from:
 - (i) the reverse flow of such sewage from within any sewage facility that you own, operate or maintain; or
 - (ii) the escape of sewage from any fixed conduit that **you** own, operate or maintain, but only if the escape occurs away from land **you** own or lease.
- (5) Paragraph (1)(d) of this exclusion does not apply to:
 - (a) **bodily injury or property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the

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operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury** or **property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **insured**, contractor or subcontractor;

- (b) **bodily injury** or **property damage** sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by **you** or on **your** behalf by a contractor or subcontractor; or
- (c) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**.

g. Aircraft, Auto or Watercraft

Bodily injury or **property damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **drone**, **auto** or watercraft owned or operated by or rented or loaned to any **insured**. Use includes operation and **loading** or **unloading**.

This exclusion applies even if the **claims** against any **insured** allege negligence or wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the **occurrence** which caused the **bodily injury** or **property damage** involved the ownership, maintenance, use or entrustment to others of any aircraft, **drone**, **auto** or watercraft that is owned or operated by or rented or loaned to any **insured**.

This exclusion does not apply to:

- (1) a watercraft while ashore on **your premises**;
- (2) a watercraft not being used to carry persons or property for a charge. Watercraft carrying persons or property for a charge are covered if scheduled to this Policy;
- (3) watercraft under 26 feet in length;
- (4) parking an **auto** on, or on the ways next to, **your premises**, other than an **insured's auto**;
- (5) liability of others assumed under any **insured contract** for the ownership, maintenance or use of aircraft or watercraft;
- (6) the operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of **mobile equipment** if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (7) **bodily injury** or **property damage** arising out of the operation of any of the equipment listed in paragraph f.2. or f.3. of the definition of **mobile equipment**.

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h. Mobile Equipment

Bodily injury or property damage arising out of:

- (1) the transportation of **mobile equipment** by an **insured's auto**; or
- (2) the use of **mobile equipment** in, or while in practice for or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

Bodily injury or property damage due to war whether or not declared or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

j. Damage to Property

Property damage to:

- (1) **your premises**;
- (2) premises **you** sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- (3) property loaned to **you**;
- (4) personal property in the care, custody or control of the **insured**;
- (5) that particular part of real property on which **you** or any contractor or subcontractor working directly or indirectly on **your** behalf is performing operations, if the **property damage** arises out of those operations; or
- (6) that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.
- (7) property which **you** are a bailee for, property which **you** have confiscated or seized, or property which is otherwise in **your** care, custody or control and which **you** do not own, rent, hire, lease, utilize or occupy with the agreement or consent of the owner.

Paragraph (2). of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by **you**.

Paragraphs (3), (4), (5), (6) and (7) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

k. Damage to Your Product

Property damage to **your product** arising out of it or any part of it.

l. Damage to Your Work

Property damage to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on **your** behalf by a subcontractor.

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m. Damage to Property Not Physically Injured and Required Damage to Property

Property damage to:

- (1) property that has not been physically injured, arising out of:
 - (a) a defect, deficiency, inadequacy or dangerous condition in **your product or your work**; or
 - (b) a delay or failure by **you** or anyone acting on **your** behalf to perform a contract or agreement in accordance with its terms.
- (2) property which it is necessary to damage in order to:
 - (a) repair, replace, adjust, or remove **your product or your work** that is known to be defective, deficient, inadequate or dangerous; or
 - (b) correct **your** failure or the failure of anyone acting on **your** behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product or your work** after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) **your product**;
- (2) **your work**; or
- (3) **impaired property**;

if **your product, your work** or the **impaired property** is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Asbestos

Bodily injury or property damage arising out of the actual, alleged or threatened:

- (1) inhalation of, ingestion of, or prolonged physical exposure to asbestos or products or work containing asbestos;
- (2) use of asbestos in **your work or your product** or the work or product of any person or organization for whom **you** may be legally responsible; or
- (3) exposure to asbestos or products containing asbestos which are at any time removed from a building or a structure, transported, handled, stored, treated, disposed of, processed or manufactured by **you** or any person or any organization for whom **you** may be legally responsible.

p. Lead

Bodily injury or property damage arising out of:

- (1) the ingestion, inhalation or absorption of lead in any form; or
- (2) the presence of lead at **your premises**.

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q. Land Use

Bodily injury or **property damage** arising out of or in any way connected with any of the following by whatever name called:

- (1) eminent domain;
- (2) land use planning;
- (3) municipal zoning;
- (4) condemnation;
- (5) inverse or reverse condemnation; or
- (6) adverse possession or dedication by adverse use.

r. Failure to Supply

Bodily injury or **property damage** arising out of the failure of any **insured** to adequately supply gas, oil, electricity or steam or to maintain gas, electric, water, sewer or utility service.

s. Dam

Bodily injury or **property damage** arising out of the rupture, bursting, overtopping, flooding, cracking, seepage, under-seepage, accidental discharge, or partial or complete structural failure of any **dam**, levee or dike, that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease.

t. Aviation Activities

Bodily injury or **property damage** arising out of the operation, maintenance, use or operation of airfields, runways, hangars, heliports, helipads, buildings or other properties used in connection with aviation activities or airports or similar property that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease.

This exclusion does not apply to:

- (1) **bodily injury** or **property damage** included in the **products-completed operations hazard**; or
- (2) **bodily injury** or **property damage** arising out of premises liability in buildings where the general public is admitted.

u. Care Facilities

Bodily injury or **property damage** arising out of the maintenance, operation or use of a continuing care facility, nursing home, long term care facility, assisted living community or hospital.

v. Personal and Advertising Injury

Bodily injury arising out of **personal injury** or **advertising injury**.

w. Punitive Damages, Attorneys' Fees and Court Costs

Any judgment or **claim**, or any part thereof, for punitive damages, attorneys' fees, or court costs.

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x. Tort or Violation of Law

Bodily injury or property damage arising out of any intentional tort or any willful violation of any law committed by or with the knowledge of, or implicit or tacit approval or consent of, any **insured**.

y. Abuse or Molestation

We will not pay any sum or defend any **suit** on behalf of any **insured** or person—

1. who has been adjudicated, or has acknowledged, to have taken part in any act of **sexual abuse**; or
2. who has been adjudicated, or has acknowledged, to have remained passive upon gaining knowledge of any actual or alleged act of **sexual abuse**.

z. Special Events & Recreational Activities

With respect to the operations of any carnival, circus, festival, fair, exhibition or property owned, leased, rented or occupied by the **insured** and used for recreational purposes, this insurance does not apply to:

1. **Bodily injury or property damage** arising out of any mechanically operated amusement device; or
2. **Bodily injury or property damage** to any person while attending, practicing for or participating in any sports or athletic contest or exhibition, including but not limited to rodeos, tractor pulls, demolition or stunting activity, horse shows, automobile shows, running events, racing events, trail riding or any other recreational competition or exhibition.

aa. All Terrain Vehicles

Bodily injury or property damage arising out of, caused by or contributed to by ownership, non-ownership, maintenance, use or entrustment to others of any all-terrain vehicle (ATV). Use includes operation and **loading** or **unloading**. This exclusion applies even if the **claims** against any **insured** allege negligence or wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the **occurrence** which caused the **bodily injury or property damage** involved the ownership, maintenance, use or entrustment to others of any all terrain vehicle that is owned or operated by or rented or loaned to any **insured**.

bb. Recording and Distribution of Material or Information in Violation of Law

Bodily injury or property damage arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

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- (4) any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the **insured** becomes legally obligated to pay as **damages** for **personal injury** or **advertising injury** because of a **law enforcement incident** to which this insurance applies. We will have the right and duty to defend any **suit** to which this insurance applies, seeking those **damages**; but:
- (1) we may investigate any **law enforcement incident** and settle any **claim** or **suit** at **our** discretion; and
 - (2) **our** right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this coverage.
- b. This coverage applies to **personal injury** only if caused by an offense:
- (1) committed in the **coverage territory** during the Policy Period; and
 - (2) arising out of the conduct of **your** business (excluding advertising, publishing, broadcasting or telecasting done by or for **you**).
- c. This coverage applies to **advertising injury** only if caused by an offense:
- (1) committed in the **coverage territory** during the Policy Period; and
 - (2) in the course of advertising **your** goods, products or services.

2. Exclusions

This insurance does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other coverage part herein or other Coverage Form of this Policy. This insurance also does not apply to the following:

- a. **Personal injury** or **advertising injury**:
- (1) caused by or at the direction of the **insured** with the knowledge that the act would violate the rights of another and would inflict **personal** and **advertising injury**;
 - (2) arising out of oral or written publication of material, if done by or at the direction of the **insured** with knowledge of its falsity;
 - (3) arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period;
 - (4) that results in any **damages**, loss, cost or expense by reason of any deliberately dishonest or fraudulent act or omission, or any criminal or

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malicious act or omission, or any willful violation of law, committed by or with the knowledge or consent, whether actual, tacit or implicit, of any **insured**;

- (5) for which the **insured** has assumed liability in a contract or agreement. This exclusion does not apply to liability for **damages** that the **insured** would have in the absence of the contract or agreement;
- (6) which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, disposal, seepage, migration, release or escape of **pollutants** at any time;
- (7) arising out of a breach of contract, except an implied contract to use another's advertising idea in **your** advertisement;
- (8) arising out of the failure of goods, products or services to conform with any statement of quality or performance made in **your** advertisement;
- (9) arising out of the wrong description of the price of goods, products or services stated in **your** advertisement;
- (10) arising out of the infringement of copyright, patent trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in **your** advertisement; However, this exclusion does not apply to infringement, in your advertisement, of copyright, trade dress or slogan;
- (11) committed by an **insured** whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to paragraph 23. a. b. and c. of **personal injury** under the Definitions Section;
- (12) arising out of the actual, alleged or threatened:
 - (a) inhalation of, ingestion of, or prolonged physical exposure to asbestos or products or work containing asbestos; or
 - (b) use of asbestos in **your work** or **your product** or the work or product of any person or organization for whom **you** may be legally responsible; or
 - (c) exposure to asbestos or products containing asbestos which are at any time removed from a building or a structure, transported, handled, stored, treated, disposed of, processed or manufactured by **you** or any person or any organization for whom **you** may be legally responsible;
- (13) arising out of any activities at any airfield, runway, hangar, airport, airpark, heliport, or similar property that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease.

This exclusion does not apply to **personal injury** or **advertising injury** arising out of premises liability in buildings where the general public is admitted;
- (14) arising out of or in any way connected with any of the following by whatever name called:
 - (a) eminent domain;
 - (b) land use planning;
 - (c) municipal zoning;
 - (d) condemnation;
 - (e) inverse or reverse condemnation; or

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- (f) adverse possession or dedication by adverse use;
- (15) arising out of the failure of any **insured** to adequately supply gas, oil, electricity or steam or to maintain gas, electric, water, sewer or utility service;
- (16) arising out of the rupture, bursting, overtopping, flooding, cracking, seepage, under-seepage, accidental discharge, or structural failure of any **dam**, levee or dike, that **you** own, operate, use, maintain, license, permit or inspect, or located on any property **you** rent or lease, including a sub-lease;
- (17) arising out of:
 - (a) the ingestion, inhalation or absorption of lead in any form; or
 - (b) the presence of lead **at your premises**;
- (18) arising directly or indirectly out of any action or omissions that violates or is alleged to violate:
 - 1. the Telephone Consumer Protection Act (TCPA), including any amendment or addition to such law;
 - 2. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - 3. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
 - 4. any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- (19) arising out of the maintenance, operation or use of a continuing care facility, nursing home, long term care facility, assisted living community or hospital.
- (20) **We will not pay any sum or defend any suit on behalf of any insured or person—**
 - 1. who has been adjudicated, or has acknowledged, to have taken part in any act of **sexual abuse**; or
 - 2. who has been adjudicated, or has acknowledged, to have remained passive upon gaining knowledge of any actual or alleged act of **sexual abuse**.
- (21) Special Events & Recreational Activities
With respect to the operations of any carnival, circus, festival, fair, exhibition or property owned, leased, rented or occupied by the **insured** and used for recreational purposes, this insurance does not apply to:
 - 1. **Personal injury or advertising injury** arising out of any mechanically operated amusement device; or
 - 2. **Personal injury or advertising injury** to any person while attending, practicing for or participating in any sports or athletic contest or exhibition, including but not limited to rodeos, tractor pulls, demolition or stunting activity, horse shows, automobile shows, racing events, running events, trail riding or any other recreational competition or exhibitions.

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(22) Punitive Damages, Attorneys' Fees and Court Costs

Any judgment or **claim**, or any part thereof, for punitive damages, attorneys' fees, or court costs.

- b. Any loss, cost or expense arising out of any:
 - (1) request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**;
 - (2) **claim** or **suit** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of **pollutants**; or
 - (3) Any **claim** or judgment, or any part thereof, for punitive damages.

c. Participation in Multi-Jurisdictional Organizations Insured by Us

This insurance does not apply to **personal injury** or **advertising injury** arising out of the participation of any **insured** in any mutual assistance or joint powers arrangement or multi-jurisdictional partnership, joint venture or task force or other similar organization if the organization is insured by **us** under a separate Coverage Agreement specifically naming the organization as an **insured**.

SECTION II -WHO IS AN INSURED

- 1. Each of the following is an **insured**:
 - a. **you**, the Public Entity named in the Declarations, are an **insured**;
 - b. **your** past, present or future lawfully elected, appointed or employed officials; but only with respect to their duties as **your** officials.

- 2. Each of the following is also an **insured**:
 - a. **your employees**, other than **your** officials, but only for acts within the scope of their employment by **you** or while performing duties related to the conduct of **your** business;
 - b. **your** volunteer worker(s), but only while acting at the direction of, and within the scope of their duties for **you**. This does not include any person working on retainer, as an independent contractor, or as a confidential informant, whether or not registered with a law enforcement agency and whether or not receiving compensation;
 - c. **your** nurses, paramedics and emergency medical technicians, but only while acting at the direction of, and within the scope of their duties for **you**;
 - d. any person (other than **your employees** or **your** volunteers) or any organization while acting as **your** real estate manager;
 - e. if **you** are a tenant and **your** lease agreement includes a provision requiring **you** to provide coverage for the liability of **your** landlord;

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- f. any person or organization that rents a premises to **you**, but only with respect to liability arising out of ownership, maintenance, or use of that part of the premises leased to **you**.

However,

- (1) no past, present or future lawfully elected, appointed or employed official, **employee**, volunteer worker, nurse, paramedic or emergency medical technician is an **insured** for:
 - a. **bodily injury** or **personal injury**:
 - (i) to **you**, or
 - (ii) to:
 - (a) **your** past, present or future lawfully elected, appointed or employed official(s);
 - (b) **your employees**; or
 - (c) **your** volunteer(s) including a nurse, paramedic or emergency medical technician while in the course of his or her employment or while performing duties related to the conduct of **your** business; or
 - (d) to the spouse, child, parent, brother or sister of that **employee** or volunteer as a consequence of such **bodily injury** or **personal injury** or for any obligation to share **damages** with or repay someone else who must pay **damages** because of the **bodily injury** or **personal injury**; or
 - (e) any obligation to share **damages** with or repay someone else who must pay **damages** because of the **bodily injury** or **personal injury**.
 - b. **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by **you**, any of **your** past, present or future lawfully elected, appointed or employed officials, any of **your employees**, or any of **your** volunteers; and
- (2) no past, present or future lawfully elected, appointed or employed official, **employee**, volunteer, worker, nurse, paramedic or emergency medical technician is an **insured** for **bodily injury** or **personal injury** arising out of his or her providing or failing to provide the following services for which a license or authorization to practice is required under the laws of Kentucky or any other state:
 - a. professional health care services as a physician, physician's assistant, osteopath, podiatrist.
 - b. professional dentistry as a dentist or dental hygienist.
 - c. professional pharmacy services as a pharmacist.
 - d. professional psychiatry, psychology, psychology therapy or counseling.
 - e. Professional ophthalmologic or optometry services as an ophthalmologist or optometrist.
 - f. professional engineering or land surveying services.
 - g. professional geology services.
 - h. professional architect services.
 - i. professional chiropractic services.
 - j. professional public accounting services.
 - k. professional ophthalmologic dispensing services.

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- l. professional legal services.
- (3) With respect to **mobile equipment** registered in **your** name under any motor vehicle registration law, any person is an **insured** while operating such **mobile equipment** along a public highway with **your** permission. Any other person or organization responsible for the conduct of such person is also an **insured**, but only with respect to liability arising out of the operation of the **mobile equipment**, and only if no other insurance is available to that person or organization for this liability. However, no person or organization is an **insured** with respect to:
 - a. **property damage** to property owned by, rented to, in the charge of or occupied by **you** or the employer of any person who is an **insured** under this provision;
 - b. **bodily injury** to a co-**employee** of the person driving the equipment.
- (4) The estates, heirs, legal representatives or assignees of deceased persons in 1.b. and 2. above who were **insureds** at the time of the **occurrence** upon which a **claim** is based are **insureds** provided the **claim** is made within one year of that person's death but only to the extent coverage applies to such deceased persons.
- (5) Any board (or member of the Board), commission (or member of the commission), governmental agency or subdivision, department, municipal body, not-for-profit corporation (member or director of the not-for-profit corporation) or other unit operated by **you** under **your** control or under **your** jurisdiction will qualify as a Named **Insured** to the extent there is no other insurance providing coverage available to that organization and if such organization is identified in a Specified Boards, Commissions or Units Endorsement to this Policy.

SECTION III - LIMIT OF INSURANCE

1. The Limit of Insurance shown in the Declarations and the rules below determine the most **we** will pay regardless of the number of:
 - a. **insureds**;
 - b. **claims** made or **suits** brought; or
 - c. persons or organizations making **claims** or bringing **suits**.
2. The Law Enforcement Liability Each Occurrence Limit is the most **we** will pay on any one **occurrence** for the sum of all:
 - a. **damages** under Coverage A. Bodily Injury and Property Damage Liability; and
 - b. **damages** under Coverage B. Personal Injury and Advertising Injury Liability.
3. The Law Enforcement Liability Aggregate Limit is the most **we** will pay for the sum of:
 - a. **damages** under Coverage A. Bodily Injury and Property Damage Liability; and
 - b. **damages** under Coverage B. Personal Injury and Advertising Injury Liability.

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4. The Limit of Insurance of this Coverage Form applies separately to each consecutive annual Policy Period and to any remaining period of less than 12 months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after one or more 12 month periods for a period of less than 12 months. In that case the additional period will be deemed as part of the last preceding period for purposes of determining the Limit of Insurance.

SECTION IV – LAW ENFORCEMENT LIABILITY CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Duties In the Event Of An Occurrence, Offense, Claim or Suit
 - a. The **insured** must notify **us** or one of **our** authorized agents promptly of an **occurrence** or offense which may result in a **claim** except as follows:
If **you** have announced to all of **your employees** that all **occurrences** or offenses must be reported and have established a reasonable procedure for doing so, knowledge of **employees** shall not be considered to be knowledge of the **insured** until **you**, an **executive officer**, partner or other persons employed by **you** in a supervisory capacity shall have received actual notice of such **occurrence** or offense.
Notice of an **occurrence** or offense is not notice of a **claim**.
 - b. The **insured** must give **us** details of the **occurrence** or offense. Details include how, when and where the **occurrence** or offense took place.
 - c. The **insured** must help **us** to get the names and addresses of injured persons and witnesses.
 - d. If a **claim** is made or **suit** is brought against any **insured**, **you** must:
 - (1) immediately record the specifics of the **claim** or **suit** and the date received; and
 - (2) notify **us** in writing immediately.
 - e. Any **insured** involved in a **claim** or **suit** must:
 - (1) immediately send **us** copies of any legal papers received in connection with the **claim** or **suit**;
 - (2) authorize **us** to obtain records and other information;
 - (3) cooperate with **us** in the investigation, settlement or defense of the **claim** or **suit**; and
 - (4) upon **our** request, assist **us** in obtaining reimbursement in a reasonable manner from any person or organization which may be liable to any **insured** because of injury or damage to which this insurance may also apply.
 - f. No **insureds** will, except at their own cost, make a payment, settle, assume any obligation, or incur any expense, other than for first aid without **our** consent.
2. Other Insurance
 - a. Coverage provided under this Coverage Form is primary except as stated in b. and c. below. When this Coverage Form is primary, **our** obligations are not affected unless

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you have other insurance that is also primary. Then, **we** will share with all that other insurance by the method described in d. below

- b. To the extent coverage is provided by this Coverage Form for the following types of loss, coverage does not apply until the limits of all other insurance (including any deductibles) have been exhausted:
 - (1) losses resulting from the maintenance or use of aircraft, **autos** or watercraft to the extent not subject to exclusion g. of Coverage A;
 - (2) losses resulting from **your** liability for fire, explosion or **water damage**; or
 - (3) losses that are direct physical damage to **your work**.
- c. This insurance is excess over the other insurance, whether primary, excess, contingent or on any other basis that covers:
 - (1) with respect to **mobile equipment** registered in **your** name under any motor vehicle registration law and subject to paragraph 3, of Section II - WHO IS AN INSURED, any other person or organization responsible for the conduct of any person who is an **insured** operating such **mobile equipment** with **your** permission along a public highway.
 - (2) any board (or officer or member of the Board), commission (or officer or member of the Commission) governmental agency or subdivision, department, municipal body, not for profit corporation (or member, director or officer of the not for profit corporation) or other unit operated by **you**, under **your** control, or under **your** jurisdiction.
- d. Method of Sharing

If all of the other insurance permits contribution by equal shares, **we** will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, **we** will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limit of Insurance of all insurers.
- e. When this insurance is excess, **we** will have no duty to defend any **claim** or **suit** that any other insurer defends. If no other insurer defends, **we** will undertake to do so, but **we** will be entitled to exercise the **insured's** rights against all those other insurers.

3. Transfer Of Rights Of Recovery Against Others To Us

Any person to whom or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything needed to secure and preserve these rights. He or she must do nothing after the loss that would jeopardize these rights.

4. Newly Acquired Or Formed Organizations

If **you** acquire or form a new organization:

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- a. other than a partnership or joint venture, and
- b. over which **you** maintain ownership or majority interest, **you** must report it to **us** promptly.

SECTION V - DEFINITIONS

1. **Advertising injury** - injury arising out of one or more of the following offenses:
 - a. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. oral or written publication of material that violates a person's right of privacy;
 - c. misappropriation of advertising ideas or style of doing business; or
 - d. infringement of copyright, title or slogan;arising out of advertising activities.
2. **Auto** –
 - a. a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.But **auto** does not include **mobile equipment**.
3. **Bodily injury** - bodily injury, sickness or disease sustained by a person, including care, loss of services or death resulting from any of these at any time.
4. **Claim** –
 - a. a **suit**; or
 - b. a written demand or written notice by or for the injured person for **damages** because of alleged injury or stating the intent to hold an **insured** liable for **damages**.
5. **Coverage territory** – the United States of America (including its territories and possessions), Puerto Rico and Canada.
6. **Dam** – any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which either (a) is 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; (b) has an impounding capacity of 50 acre-feet or more; or (c) has a Federal Hazard Classification as a High Hazard Dam. FEMA defines a High Hazard Dam as one where failure or mis-operation will probably cause loss of human life.
However, any such barrier which is not in excess of six feet in height, regardless of storage capacity, or which has a storage capacity not in excess of 15 acre-feet, regardless of height, shall not be considered a **dam**. No obstruction in a canal used to raise or lower water

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therein or divert water therefrom, no levee, including but not limited to a levee on the bed of a natural lake the primary purpose of which levee is to control floodwaters, no railroad fill or structure, tank constructed of steel or concrete or of a combination thereof, no tank elevated above the ground and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use shall be considered a **dam**. In addition, no obstruction in the channel of a stream or watercourse which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground shall be considered a **dam**.

7. **Damages** – monetary judgments, awards and settlements including back pay and front pay. However **damages** do not include:
 - a. civil or criminal fines, sanctions, penalties, forfeiture, an award of attorneys' fees, an award of court costs, or a fine, penalty or other award imposed pursuant to the Kentucky Open Records Act or the Kentucky Open Meetings Act;
 - b. injunctive or equitable relief;
 - c. punitive damages; or
 - d. disgorgement of salary, wages or other compensation by any of **your** elected officials.

8. **Drone** - an unmanned aircraft, wheeled and/or tracked vehicle or watercraft guided by remote control or that can navigate autonomously.

9. **Employee** - includes a **leased worker**. **Employee** does not include a **temporary worker**.

10. **Executive officer** - only a person holding any of the officer positions created by **your** charter, constitution or by-laws.

11. **Hostile fire** - a fire which becomes uncontrollable or breaks out from where it was intended to be.

12. **Impaired property** - tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
 - a. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. **you** have failed to fulfill the terms of a contract or agreement;
if such property can be restored to use by:
 - (1) the repair, replacement, adjustment or removal of **your product** or **your work**;
or
 - (2) **your** fulfilling the terms of the contract or agreement.

13. **Insured** - any person or organization qualifying as such under SECTION II - WHO IS AN INSURED of this Coverage Form.

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14. **Insured's auto** - an **auto** owned or operated by or rented or loaned to any **insured**.
15. **Insured contract** -
- a. a contract for a lease of **your premises**; however, that portion of the contract for a lease of **your premises** that indemnifies any person or organization for damage by fire to premises while rented to **you** or temporarily occupied by **you** with permission of the owner is not an **insured contract**.
 - b. a sidetrack agreement;
 - c. any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. an elevator maintenance agreement;
 - f. that part of any other contract or agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a municipality) under which **you** assume the **tort liability** of another party to pay for **bodily injury** or **property damage** to a third person or organization.
- Paragraph f. does not include that part of any contract or agreement:
- (1) that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
 - (2) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - (3) under which the **insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **insured's** rendering or failure to render professional services, including those listed in (2)(a) above and supervisory, inspection or engineering services.
16. **Law enforcement incident** – any error, act, omission, neglect or breach of duty resulting from law enforcement activities of **your** police department or any of **your** other law enforcement agencies, including their agents or **employees**. All **claims** arising from a series of related errors, acts, omissions, neglects or breaches of duty shall constitute a single **law enforcement incident**.
17. **Law enforcement agency** – a police department, sheriff's department, detention center or correctional facility, including their agents and **employees** that:
- a. is considered to be part of **you**; or
 - b. is **your** legal responsibility.

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18. **Leased worker** - a person leased to **you** by a labor leasing firm under an agreement between **you** and the labor leasing firm, to perform duties related to the conduct of **your** business. **Leased worker** does not include a **temporary worker**.
19. **Loading or unloading** - the handling of property:
- a. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **auto**;
 - b. while it is in or on an aircraft, watercraft or **auto**; or
 - c. while it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;
- but **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **auto**.
20. **Mobile equipment** - any of the following types of land vehicles, including any attached machinery or equipment:
- a. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. vehicles maintained for use solely on or next to **your premises**; however, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by **you** shall be deemed an **auto** and not **mobile equipment** if the only reason for considering it **mobile equipment** is that it is maintained for use exclusively on streets or highways owned by **you**;
 - c. vehicles that travel on crawler treads;
 - d. vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) power cranes, shovels, loaders, diggers or drills; or
 - (2) road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) air compressors, pumps and generators, including spraying, welding, building cleaning, geological exploration, lighting and well servicing equipment; or
 - (2) cherry pickers and similar devices used to raise or lower workers;
 - f. vehicles not described in a., b., c., d. or e. above maintained primarily for purposes other than the transportation of persons or cargo.
However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - (1) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing; or

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(c) street cleaning;

(2) cherry pickers and similar devices mounted on an **auto** or truck chassis and used to raise or lower workers; and

(3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, vehicles not described in a. through f. above which are designed for travel on public roads but not licensed are not **mobile equipment**.

Mobile Equipment does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **autos**.

21. **Occurrence** - an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
22. **Personal injury** - injury other than **bodily injury**, arising out of one or more of the following offenses:
- a. false arrest, detention or imprisonment; or
 - b. malicious prosecution; or
 - c. wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of:
 - (1) a room,
 - (2) a dwelling, or
 - (3) **your** premises;that a person occupies by or on behalf of its owner, landlord or lessor; or
 - d. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. oral or written publication of material that violates a person's right of privacy.
23. **Pollutants** - any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and **waste**.
24. **Products-completed operations hazard** -
- a. all **bodily injury** and **property damage** occurring away from **your premises** and arising out of **your product** or **your work** except:
 - (1) products that are still in **your** physical possession; or
 - (2) work that has not yet been completed or abandoned.
 - b. **your work** will be deemed completed at the earliest of the following times:
 - (1) when all of the work called for in **your** contract has been completed;
 - (2) when all of the work to be done at the site has been completed if **your** contract calls for work at more than one site;

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- (3) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project; or
 - (4) work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete will be treated as completed.
- c. this hazard does not include **bodily injury** or **property damage** arising out of:
- (1) the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the **loading or unloading** of it;
 - (2) the existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Liability Limit.

25. **Property damage -**

- a. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

For the purposes of this coverage, electronic data is not tangible property. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

26. **Sexual abuse** means sexual molestation, including but not limited to sexual exploitation, deliberate physical contact, mental abuse and illicit conduct not involving physical contact.

Multiple acts of **sexual abuse** by the same person or persons, including any breach of duty with respect to employment, investigation, supervision, reporting or failing to report, or retention relating to any person or persons associated with an act or acts of **sexual abuse**, will be deemed to be one **law enforcement incident**. The date of the **law enforcement incident** will be deemed to be the date of the first act of **sexual abuse**.

27. **Suit** - a civil legal proceeding in which **damages** because of **bodily injury, property damage, personal injury or advertising injury** to which this insurance applies are alleged. **Suit** includes:

- a. an arbitration proceeding in which such **damages** are **claimed** and to which **you** must submit or do submit with **our** consent; or
- b. any other alternative dispute resolution proceeding in which such **damages** are **claimed** and to which **you** submit with **our** consent.

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28. **Temporary worker** - a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.
29. **Tort liability** - liability that would be imposed by law in the absence of any contract or agreement.
30. **Waste** - all waste including materials to be recycled, reconditioned or reclaimed.
31. **Water damage** - accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam, other than an automatic sprinkler system. **Water damage** does not include the cost of repairing or replacing the system or appliance from which the water or steam escapes.
32. **Your operations** - **your** customary business activities and operations occurring at **your premises**.
33. **Your premises** - a premises **you** own, occupy, or rent or a premises **you** utilize with the written consent of the owner or tenant thereof.
34. **Your product** -
- a. any goods or products other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) **you**;
 - (2) others trading under **your** name; or
 - (3) a person or organization whose business or assets **you** have acquired; and
 - b. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- Your product** includes:
- i. warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your product**; and
 - ii. the providing or failure to provide warnings or instructions.
- Your product** does not include vending machines or other property rented to or located for the use of others but not sold.
35. **Your work** -
- a. work or operations performed by **you** or on **your** behalf; and
 - b. materials, parts or equipment furnished in connection with such work or operations.
- Your work** includes:
- i. warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your work**; and
 - ii. the providing of or failure to provide warnings or instructions.

**ENDORSEMENT TO LAW ENFORCEMENT LIABILITY
COVERAGE FORM**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage document(s):

LAW ENFORCEMENT LIABILITY COVERAGE FORM

The following language is added as Subsection g. of paragraph 2. of **SECTION II -WHO IS AN INSURED:**

- g. Notwithstanding anything contained in Paragraphs a. through f. above, no EMT, paramedic or ambulance services professional shall be covered hereunder if working for, on behalf of or under the supervision or direction of a person or entity other than **you** which is insured by **us** or any other carrier or entity authorized to provide liability insurance coverage regardless of whether such EMT, paramedic or ambulance services professional shall also be **your** employee.

INVESTIGATION DEFENSE COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This Endorsement modifies insurance provided under the following coverage forms for the items listed below:

LAW ENFORCEMENT LIABILITY COVERAGE FORM

Effective Date: This endorsement only applies to acts occurring after December 1, 2018 which give rise to an investigation covered hereunder.

Paragraph C. is added to the end of **SECTION I – COVERAGES** as follows:

C. INVESTIGATION DEFENSE COVERAGE.

1. Coverage. We will defend **your** elected County Sheriff or **your employees** who are Kentucky Law Enforcement Council certified and employed as a sheriff's deputy or county police officer and qualify as an **insured** under this policy, against any local, state or federal criminal investigation which arises from any act within the scope of their employment by **you** as a law enforcement officer.
2. Off Duty Employment Excluded. This coverage will not apply to any investigation which arises out of any act occurring while the sheriff, sheriff's deputy or county police officer is working or performing services for another employer, regardless of whether the act is also considered to be within the scope of his/her employment by **you** as a law enforcement officer.
3. Duration of Defense Coverage. **Our** duty to defend under this provision shall begin at the time an investigation is commenced and end when [1] charges are filed or an indictment is issued against the sheriff, sheriff's deputy or county police officer under investigation; or [2] the sheriff, sheriff's deputy or county police officer acknowledges or is adjudicated to have committed an illegal act; or [3] the investigation is terminated, whichever comes first.
4. Coverage Limit. The amount **we** will pay for defense on behalf of the sheriff, a sheriff's deputy or a county police officer for a single investigation covered under this paragraph is \$5,000. The most **we** will pay for defense on behalf of the sheriff, a sheriff's deputy or a county police officer during the policy period is \$10,000. The most we will pay for defense under this coverage for all **insureds** in the aggregate is \$25,000.

ELECTED PUBLIC OFFICIALS LEGAL DEFENSE COVERAGE FORM

This Coverage Form explains **YOUR LEGAL DEFENSE COVERAGE**. The coverages referenced in this Coverage Form are:

Coverage A. Intentional Tort Defense

Coverage B. Public Officials Criminal Charges Defense

No obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Policy applicable to these coverages.

These coverages are subject to exclusions that restrict coverage. The amount **we** will pay is limited as described under **LEGAL DEFENSE LIMIT OF INSURANCE (SECTION III)**. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words **you** and **your** refer to the Named **Insured** shown in the Declarations, and any other person or organization qualifying as an **insured** under this Coverage Form. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under **WHO IS AN INSURED (SECTION II)**.

Other words and phrases that appear in **bold** have special meaning. Refer to **DEFINITIONS (SECTION V)**.

SECTION I – COVERAGES

A. INTENTIONAL TORT DEFENSE

1. Insuring Agreement

We will defend any **suit** seeking **damages** against an **insured** because of or as a result of an **intentional tort** resulting in **personal injury, bodily injury, property damage or advertising injury** to which this Coverage Form applies. This Coverage Form applies only to **personal injury, bodily injury, property damage and advertising injury** that occurs during the Policy Period. The **personal injury, bodily injury, property damage or advertising injury** must be caused by an **intentional tort**. The **intentional tort** must take place in the **coverage territory**. **We** will have the right and duty to defend any **suit** to which this Coverage Form applies, seeking those **damages**; but:

- a. **we** may investigate any **intentional tort** and settle any **claim** or **suit** at **our** discretion; and
- b. **our** right and duty to defend ends when **we** have used up the applicable Legal Defense Limit of Insurance in the payment of the costs and expenses of defense under Coverage A. Intentional Tort Defense, and/or Coverage B. Public Officials Criminal Charges Defense Liability; and

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- c. **we** shall not be liable to indemnify the **insured** for, nor shall **we** pay, that portion of any judgment or **claim** that has been found to be the result of an **intentional tort**.

2. Exclusions

Insurance under Coverage A. Intentional Tort Defense does not apply to any **suit** or **claim** for **damages**, whether direct or consequential, or any cause of action which is covered under any other coverage part herein or other Coverage Form of this Policy. This insurance also does not apply to the following:

a. Contractual Liability Claims

Advertising injury, personal injury, bodily injury or property damage claims against the **insured** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **damages**:

- (1) assumed in a contract or agreement that is an **insured contract** provided that the **bodily injury or property damage** occurs subsequent to the execution of the contract or agreement; or
- (2) that the **insured** would have in the absence of the contract or agreement.

b. Liquor Liability

This insurance does not apply to any claim arising from the consumption or distribution of any alcoholic beverage.

This exclusion applies to all allegations including, but not limited to, negligent hiring, placement, training, supervision, or to any act, error or omission relating to the consumption or distribution of any alcoholic beverage.

c. Pollution

- (1) **Advertising injury, personal injury, bodily injury or property damage claims** against an **insured** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- (2) Any **loss**, cost or expense arising out of any:
 - (a) request, demand, rule or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (b) **claim** or **suit** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

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Paragraph (1) of this exclusion does not apply to **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**.

d. Aircraft, Auto or Watercraft

Bodily injury or **property damage claims** against an **insured** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **drone**, **auto** or watercraft owned or operated by or rented or loaned to any **insured**. Use includes operation and loading or unloading.

This exclusion does not apply to:

- (1) a watercraft while ashore on **your premises**;
- (2) a watercraft not being used to carry persons or property for a charge. Watercraft carrying persons for a charge are covered if scheduled to this Policy;
- (3) parking an **auto** on, or on the ways next to, **your premises**, other than an **insured's auto**;
- (4) liability of others assumed under any **insured contract** for the ownership, maintenance or use of aircraft or watercraft; or
- (5) **bodily injury** or **property damage** arising out of the operation of any of the equipment listed in paragraph f (2) or f (3) of the definition of **mobile equipment**.

e. Mobile Equipment

Personal injury, advertising injury, bodily injury or **property damage claims** against an **insured** arising out of:

- (1) the transportation of **mobile equipment** by an **insured's auto**; or
- (2) the use of **mobile equipment** in, or while in practice for or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

f. War

Personal injury, advertising injury, bodily injury or **property damage claims** against an **insured** due to **war** whether or not declared, or any act or condition incident to **war**. **War** includes civil war, insurrection, rebellion or revolution.

g. Damage to Property

Property damage to:

- (1) **your premises**;

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- (2) premises **you** sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- (3) property loaned to **you**;
- (4) personal property in the care, custody or control of the **insured**;
- (5) that particular part of real property on which **you** or any contractor or subcontractor working directly or indirectly on **your** behalf is performing operations, if the **property damage** arises out of those operations; or
- (6) that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by **you**.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

h. Damage to Your Product

Property damage to your product arising out of it or any part of it.

i. Damage to Your Work

Property damage to your work arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on **your** behalf by a subcontractor.

j. Damage to Property Not Physically Injured or Required Damage to Property

Property damage to:

- (1) property that has not been physically injured, arising out of:
 - (a) a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
 - (b) a delay or failure by **you** or anyone acting on **your** behalf to perform a contract or agreement in accordance with its terms.
- (2) property which it is necessary to damage in order to:

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- (a) repair, replace, adjust, or remove **your product** or **your work** that is known to be defective, deficient, inadequate or dangerous; or
- (b) correct **your** failure or the failure of anyone acting on **your** behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the **loss** of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

k. Recall of Products, Work or Impaired Property

Damages claimed for any **loss**, cost or expense incurred by **you** or others for the **loss** of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) **your product**;
- (2) **your work**; or
- (3) **impaired property**;

if **your product**, **your work** or the **impaired property** is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

l. Asbestos

Personal injury, advertising injury, bodily injury or property damage claims arising out of the actual, alleged or threatened:

- (1) inhalation of, ingestion of, or prolonged physical exposure to asbestos or products or work containing asbestos; or
- (2) use of asbestos in **your work** or **your product** or the work or product of any person or organization for whom **you** may be legally responsible; or
- (3) exposure to asbestos or products containing asbestos which are at any time removed from a building or a structure, transported, handled, stored, treated, disposed of, processed or manufactured by **you** or any person or any organization for whom **you** may be legally responsible.

m. Failure to Supply

Personal injury, advertising injury, bodily injury or property damage claims arising out of the failure of any **insured** to adequately supply gas, oil, electricity or steam or to maintain gas, electric, water, sewer or utility service.

n. Land Use

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Personal injury, advertising injury, bodily injury or property damage claims arising out of or in any way connected with the actions of any administrative board, by whatever name called, acting as a body in its official capacity and arising out of any of the following by whatever name called:

- (1) eminent domain;
- (2) land use planning;
- (3) municipal zoning;
- (4) condemnation;
- (5) inverse or reverse condemnation; or
- (6) adverse possession or dedication by adverse use.

o. Lead

Personal injury, advertising injury, bodily injury or property damage claims arising out of:

- (1) the ingestion, inhalation or absorption of lead in any form; or
- (2) the presence of lead at **your premises**.

p. Aviation Activities

Personal injury, advertising injury, bodily injury or property damage claims arising out of the operation, maintenance, use or operation of airfields, runways, hangars, heliports, helipads, buildings or other properties used in connection with aviation activities or airports. This exclusion does not apply to:

- (1) **bodily injury or property damage** included in the **products-completed operations hazard**; or
- (2) **bodily injury or property damage** arising out of **premises** liability in buildings where the general public is admitted.

q. **Personal injury, advertising injury, bodily injury or property damage** arising out of:

- (1) oral or written publication of material whose first publication took place before the beginning of the Policy Period;
- (2) breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (3) the failure of goods, products or services to conform with advertised quality or performance;
- (4) the wrong description of the price of goods, products or services; or
- (5) an offense committed by an **insured** whose business is advertising, broadcasting, publishing or telecasting.

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r. Abuse or Molestation

This insurance does not apply to **bodily injury, property damage, personal injury or advertising injury** arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
2. The negligent:
 - a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to the proper authorities, or failure to so report; or
 - e. Retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

s. Special Events & Recreational Activities

With respect to the operations of any carnival, circus, festival, fair, exhibition or property owned, leased, rented or occupied by the **insured** and used for recreational purposes, this insurance does not apply to:

1. **Bodily injury, personal injury, advertising injury or property damage** arising out of any mechanically operated amusement device; or
2. **Bodily injury, personal injury, advertising injury or property damage** to any person while attending, practicing for or participating in any sports or athletic contest or exhibition, including but not limited to rodeos, tractor pulls, demolition or stunting activity, horse shows, automobile shows, racing events, running events, ATV trail riding or any other recreational competition or exhibition.

B. PUBLIC OFFICIALS CRIMINAL CHARGES DEFENSE

We will defend any state or federal criminal prosecution brought against an **insured** who is an elected public official acting within the scope of his or her employment with the **insured**, and on behalf of the **insured**, and while so acting, ordering, authorizing, encouraging, performing, tacitly, implicitly, recklessly or wantonly tolerating or performing criminal conduct. **We** have the right and duty to defend such criminal prosecutions to which this insurance applies, but:

1. **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of the costs and expenses of defense under Coverage A. Intentional Tort Defense or Coverage B. Public Officials Criminal Charges Defense; and
2. **we** shall not be liable for, nor shall **we** pay, any fines, levies, penalties, restitutions or disgorgements assessed or made or adjudged by reason of a criminal prosecution.

C. LEGAL DEFENSE FOR CLAIMS NOT OTHERWISE COVERED

We will defend any judicial or administrative proceeding filed against the Named **Insured** shown on the Declarations Page. Insurance under Coverage C. Legal Defense for Claims Not Otherwise Covered shall not apply to any judicial or administrative proceeding involving unemployment

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insurance, workers' compensation or that is otherwise covered under this or any other policy issued by **us**. The most **we** will pay under Coverage C. Legal Defense for Claims Not Otherwise Covered is \$50,000.

D. DEFENSE PAYMENTS

We will pay, with respect to any **claim** or **suit we** defend, in the aggregate up to the Limit of Insurance, the following.

1. all expenses **we** incur.
2. up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the **bodily injury** liability coverage applies. **We** do not have to furnish these bonds.
3. the cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. **We** do not have to furnish these bonds.
4. all reasonable expenses incurred by the **insured** at **our** request, including actual **loss** of earnings up to \$500 a day, because of time off from work.
5. Attorneys' fees and expert witnesses' fees and costs and expenses reasonably incurred by **us**.

SECTION II - WHO IS AN INSURED

Your elected public officials and county appointed planning and zoning board members acting within the scope of their employment with the **insured**.

SECTION III – LEGAL DEFENSE LIMIT OF INSURANCE

1. The Legal Defense Limit of Insurance as shown in the Declarations is the most **we** will pay for the sum of:
 - a. **Defense costs** under Coverage A. Intentional Tort Defense Liability; and
 - b. **Defense costs** under Coverage B. Public Officials Criminal Charges Defense.
2. Subject to 1. above, the Each Intentional Tort Limit is the most **we** will pay for the sum of **defense costs** under Coverage A. Intentional Tort Defense and Coverage B. Public Officials Criminal Charges Defense arising out of any one **intentional tort**.

The Legal Defense Limit of Insurance of this Coverage Form applies separately to each consecutive annual Policy Period and to any remaining period of less than 12 months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after one or more 12 month periods for a period of less than 12 months. In that case the additional period will be deemed as part of the last preceding period for purposes of determining Legal Defense Limit of Insurance.

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SECTION IV - CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Duties In the Event Of An Intentional Tort, Offense, Claim or Suit

- a. An **insured** must notify **us** or one of **our** authorized agents promptly of an **intentional tort** or offense which may result in a **claim** except as follows: If **you** have announced to all of **your employees** that all **intentional torts** or offenses must be reported and have established a reasonable procedure for doing so, knowledge of **employees** shall not be considered to be knowledge of the **insured** until **you**, an **executive officer**, partner or other persons employed by **you** in a supervisory capacity shall have received actual notice of such **intentional tort** or offense.

Notice of an **intentional tort** or offense is not notice of a **claim**.

- b. Any **insured** must give **us** details of the **loss**. Details include how, when and where the **intentional tort** or offense took place.
- c. Any **insured** must help **us** to get the names and addresses of injured persons and witnesses.
- d. If a **claim** is made or **suit** is brought against any **insured**, **you** must:
- (1) immediately record the specifics of the **claim** or **suit** and the date received; and
 - (2) notify **us** in writing immediately.
- e. Any **insured** involved in a **claim** or **suit** must:
- (1) immediately send **us**, upon **our** request, copies of any demands, notices, summonses or legal papers received in connection with the **claim** or **suit**;
 - (2) authorize **us** to obtain records and other information;
 - (3) cooperate with **us** in the investigation, settlement or defense of the **claim** or **suit**; and
 - (4) assist **us**, upon **our** request, in obtaining reimbursement in a reasonable manner from any person or organization which may be liable to the **insured** because of injury or damage to which this insurance may also apply.
- f. No **insureds** will, except at their own cost, make a payment, settle, assume any obligation, or incur any expense, other than for first aid, unless **we** agree.

2. Transfer Of Rights Of Recovery Against Others To Us

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Any person to whom or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything needed to secure and preserve these rights. He or she must do nothing after the **loss** that would jeopardize them.

SECTION V - DEFINITIONS

1. **Advertising injury** - injury arising out of one or more of the following offenses:
 - a. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. oral or written publication of material that violates a person's right of privacy;
 - c. misappropriation of advertising ideas or style of doing business; or
 - d. infringement of copyright, title or slogan; arising out of advertising activities.
2. **Auto** - a land motor vehicle, trailer or semi trailer designed for travel on public roads, including any attached machinery or equipment, or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. But **auto** does not include **mobile equipment**.
3. **Bodily injury** - bodily injury, sickness or disease sustained by a person, including care, **loss** of services or death resulting from any of these at any time.
4. **Claim** –
 - a. a **suit**, or
 - b. a written demand or written notice by or for the injured person for **damages** because of alleged injury or stating the intent to hold an **insured** liable for **damages**.
5. **Coverage territory** - the United States of America (including its territories and possessions), Puerto Rico and Canada.
6. **Damages** – monetary judgments, awards and settlements including back pay and front pay. However, **damages** do not include:
 - a. civil or criminal fines, sanctions, penalties, forfeiture, an award of court costs, an award of attorney's fees, or a fine, penalty or other award imposed pursuant to the Kentucky Open Records Act or the Kentucky Open Meetings Act;
 - b. injunctive or equitable relief (excluding land use planning or municipal zoning);
 - c. punitive damages; or
 - d. disbursement of salary, wages or other compensation by any of **your** elected officials.
7. **Defense costs** – reasonable and necessary fees, costs and expenses consented to and incurred by **us** (including without limitation premiums for any appeal bond, attachment bond, or similar bond, but without any obligation to apply for or furnish such bond, attorneys' fees and expenses, expert witness fees and expenses and court costs) resulting solely from the investigation, adjustment, defense and appeal of a **claim** or **suit** against the **insured(s)**.

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8. **Drone** - an unmanned aircraft, wheeled and/or tracked vehicle or watercraft guided by remote control or that can navigate autonomously.
9. **Employee** - includes a **leased worker**. **Employee** does not include a **temporary worker**.
10. **Executive Officer** - only a person holding any of the officer positions created by **your** charter, constitution or bylaws.
11. **Hostile fire** - a fire which becomes uncontrollable or breaks out from where it was intended to be.
12. **Impaired property** - tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
 - a. it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. **you** have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - (1) the repair, replacement, adjustment or removal of **your product** or **your work**; or
 - (2) **your** fulfilling the terms of the contract or agreement.
13. **Insured** - any person or organization qualifying as such under SECTION II - WHO IS AN INSURED of this Coverage Form.
14. **Insured's auto** - an **auto** owned or operated by or rented or loaned to any **insured**.
15. **Insured contract** -
 - a. a contract for a lease of **your premises**; however, that portion of the contract for a lease of **your premises** that indemnifies any person or organization for damage by fire to **your premises** while rented to **you** or temporarily occupied by **you** with permission of the owner is not an **insured contract**.
 - b. a sidetrack agreement;
 - c. any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. an elevator maintenance agreement;
 - f. that part of any other contract or agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a

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municipality) under which **you** assume the **tort liability** of another party to pay for **bodily injury** or **property damage** to a third person or organization.

Paragraph c. does not include that part of any contract or agreement:

- (1) that indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations within 50 feet of any railroad **property** and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
 - (2) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - (3) under which the **insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **insured's** rendering or failure to render professional services, including those listed in paragraph (2)(a) above, supervisory, inspection or engineering services.
16. **Intentional tort** – a tort which was committed with knowledge that committing the act was wrong or expected to produce a **wrongful act** or knowingly failing to correct a **wrongful act** after discovery. **Intentional tort** additionally means any action or inaction by the member or its **employees** in violation of any ordinance, regulation, statute or constitutional provision. **Intentional tort** shall also include any violation of the provisions of Americans With Disabilities Act or related statutes and any action taken by an **insured** or an **insured's employee** in violation of a person's constitutional or civil rights or in a retaliation for a person or persons exercising their constitutional rights to free speech or association.
17. **Leased worker** - a person leased to **you** by a labor leasing firm under an agreement between **you** and the labor leasing firm, to perform duties related to the conduct of **your** business. **Leased worker** does not include a **temporary worker**.
18. **Loading or unloading** - the handling of property:
- a. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **auto**;
 - b. while it is in or on an aircraft, watercraft or **auto**; or
 - c. while it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;

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but loading or unloading does not include the movement of **property** by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **auto**.

19. **Mobile equipment** - any of the following types of land vehicles, including any attached machinery or equipment:
- a. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. vehicles maintained for use solely on or next to **your premises**;
 - c. vehicles that travel on crawler treads;
 - d. vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) power cranes, shovels, loaders, diggers or drills; or
 - (2) road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) air compressors, pumps and generators, including spraying, welding, building cleaning, geological exploration, lighting and well servicing equipment; or
 - (2) cherry pickers and similar devices used to raise or lower workers;
 - f. vehicles not described in a., b., c., d. or e. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- (1) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing, or
 - (c) street cleaning;
- (2) cherry pickers and similar devices mounted on an **auto** or truck chassis and used to raise or lower workers; and
- (3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, vehicles not described in a. through f. above which are designed for travel on public roads but not licensed are not **mobile equipment**.

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Mobile equipment does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **autos**.

20. **Personal injury** - injury other than **bodily injury**, arising out of one or more of the following offenses:
- a. false arrest, detention or imprisonment;
 - b. malicious prosecution;
 - c. wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of:
 - (1) a room;
 - (2) a dwelling; or
 - (3) **your premises**; that a person occupies by or on behalf of its owner, landlord or lessor;
 - d. oral or written publication of material that slanders or libels a person or organization or disparages a persons or organizations goods, products or services;
 - e. oral or written publication of material that violates a persons right of privacy.
21. **Pollutants** - any solid, liquid, gaseous or thermal irritant or contaminant, including, smoke, vapor, soot, fumes, acids, alkalis, chemicals and **waste**.
22. **Products-completed operations hazard** -
- a. all **bodily injury** and **property damage** occurring away and arising out of **your product** or **your work** except:
 - (1) products that are still in **your** physical possession; or
 - (2) work that has not yet been completed or abandoned from **your premises**.
 - b. **your work** will be deemed completed at the earliest of the following times:
 - (1) when all of the work called for in **your** contract has been completed.
 - (2) when all of the work to be done at the site has been completed if **your** contract calls for work at more than one site.
 - (3) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 - (4) work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete will be treated as completed.
 - c. this hazard does not include **bodily injury** or **property damage** arising out of:

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- (1) the transportation of **property**, unless the injury or damage arises out of a condition in or on a vehicle created by the loading or unloading of it;
- (2) the existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) products or operations for which the classification in this Coverage Part or in **our** manual of rules includes products or completed operations.

23. **Property damage -**

- a. physical injury to tangible property, including all resulting **loss** of use of that property. All such **loss** of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. **loss** of use of tangible property, except the **insured's** own property, that is not physically injured. All such **loss** of use shall be deemed to occur at the time of the **intentional tort** that caused it.

For the purposes of this coverage, electronic data is not tangible property. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

24. **Suit** - a legal proceeding to which this Coverage Form applies. **Suit** includes:

- a. an arbitration proceeding in which such **damages** are **claimed** and to which **you** must submit or do submit with **our** consent; or
- b. any other alternative dispute resolution proceeding in which such **damages** are **claimed** and to which **you** submit with **our** consent.

25. **Temporary worker** - a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

26. **Tort liability** - liability that would be imposed by law in the absence of any contract or agreement.

27. **Waste** - all waste including materials to be recycled, reconditioned or reclaimed.

28. **Wrongful act** - any act, error, omission, neglect or breach of duty.

All **claims** arising from:

- a. a series of related acts, errors, omissions, neglects, or breaches of duty; or
- b. multiple acts, errors, omissions, neglects, or breaches of duty alleged in the same **claim** by one or more persons; shall constitute a single **wrongful act** and shall be deemed to occur at the time of the first act, error, omission, neglect or breach of duty.

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29. **Your operations** - your customary business activities occurring at **your premises**.
30. **Your premises** - a premises **you** own, occupy or rent or a premises **you** utilize with the written consent of the owner or tenant thereof.
31. **Your product** -
- a. any goods or products other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) **you**;
 - (2) others trading under **your** name; or
 - (3) a person or organization whose business or assets **you** have acquired; and
 - b. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- (1) warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your product**; and
- (2) the providing or failure to provide warnings or instructions.

Your product does not include vending machines or other **property** rented to or located for the use of others but not sold.

32. **Your work** -
- a. work or operations performed by **you** or on **your** behalf; and
 - b. materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- (1) warranties or representations made at any time with respect to fitness, quality, durability, performance or use of **your work**; and
- (2) the providing of or failure to provide warnings or instructions.

AUTO COVERAGE FORM

This is **your** AUTO COVERAGE FORM. The sections in this Coverage Form are:

Auto Coverage Form	Section I	Covered Autos
	Section II	Auto Liability Coverage
	Section III	Physical Damage Coverage
	Section IV	Auto Conditions
	Section V	Definitions

Together with the following coverages / endorsements which may apply and which, if they apply, modify this Coverage Form:

Covered Pollution Cost or Expense Broadened Coverage Form
EMT Exclusion Endorsement
New Car Replacement Endorsement
Personal Injury Protection Coverage
Seized or Confiscated Autos Endorsement
Underinsured Motorist Coverage
Uninsured Motorist Coverage

AUTO COVERAGE FORM

Throughout this Coverage Form the words **you** and **your** refer to the Named **Insured** shown in the Declarations, and any other person or organization qualifying as an **insured** under this Coverage Form. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II, A., 1.).

Other words and phrases that appear in **bold** have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERED AUTOS

The following are the **autos** that are covered **autos**:

A. Description Of Covered Autos

1. **OWNED AUTOS ONLY.** Only those **autos you** own (and for liability coverage any **trailers you** don't own while attached to any **autos you** own). This includes those **autos you** acquire ownership of after the Policy begins.
2. **SPECIFICALLY DESCRIBED AUTOS.** Only those **autos you** reported to **us** in **your** Statement of Values (and for liability coverage any **trailers you** don't own while attached to any **auto you** own).
3. **HIRED AUTOS.** Only those **autos you** lease, hire, rent or borrow. This does not include (i) any **auto you** lease, hire, rent, or borrow from any of **your employees**, or partners, members or members of their households, or (ii) any **auto** which is seized or confiscated by any law enforcement agency for which record title has not been placed in **your** name.
4. **NONOWNED AUTOS.** Only those **autos you** do not own, lease, hire, rent or borrow that are used in connection with **your** business. This includes **autos** owned by **your** officials, executives, board members, commissioners, **employees**, volunteers, members, or members of their households but only while used in **your** business or **your** personal affairs. (Coverage herein for nonowned vehicles is primary, while being used in **your** business, unless otherwise provided in the Declarations.) This does not include any **auto** which is seized or confiscated by any law enforcement agency for which record title has not been placed in **your** name.

B. Owned Autos You Acquire After The Policy Begins

You have coverage for **autos** that **you** acquire for the remainder of the Policy Period so long as the value of the individual **auto** does not exceed \$100,000.00. Any **auto** valued in excess of \$100,000.00 must be reported to **us** within thirty (30) days after **you** acquire it if **you** want **us** to provide coverage for it.

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C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If liability coverage is provided by this Coverage Form, as shown on the schedule of covered **autos**, the following types of vehicles are also covered **autos** for liability coverage:

1. **Trailers** with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. **Mobile equipment** while being carried or towed by a covered **auto**.
3. Any **auto you** do not own while used with the permission of its owner as a temporary substitute for a covered **auto you** own that is out of service because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. **loss**; or
 - e. destruction.

SECTION II - AUTO LIABILITY COVERAGE

A. COVERAGE

We will pay all sums an **insured** legally must pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of a covered **auto**.

We will also pay all sums an **insured** legally must pay as a **covered pollution cost or expense** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of a covered **auto**. However, we will only pay for the **covered pollution cost or expense** if there is either **bodily injury** or **property damage** to which this insurance applies that is caused by the same **accident**.

We have the right and duty to defend any **insured** against a **suit** asking for such damages or a **covered pollution cost or expense**. However, we have no duty to defend any **insured** against a **suit** seeking damages for **bodily injury** or **property damage** or a **covered pollution cost or expense** to which this insurance does not apply. We may investigate and settle any **claim** or **suit** as we consider appropriate. **Our** duty to defend or settle ends when the Auto Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are **insureds**:

- a. **You** for any covered **auto**, **your** executives, **your** officers, or **your** supervisors, directors, board members, commissioners or **your employees** or volunteers, while using a covered **auto** within the scope of their duties for **you**.
- b. Anyone else while using with **your** permission a covered **auto you** own, hire or borrow except:

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- (1) The owner or anyone else from whom **you** hire or borrow a covered **auto**. This exception does not apply if the covered **auto** is a **trailer** connected to a covered **auto you** own.
 - (2) **Your employee** if the covered **auto** is owned by that **employee** or a member of his or her household.
 - (3) Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing, parking or storing **autos** unless that business is **yours**.
 - (4) Anyone, other than **your employees**, partners (if **you** are a partnership), members (if **you** are a limited liability company) or a lessee or borrower or any of their **employees**, while moving property to or from a covered **auto**.
 - (5) A partner (if **you** are a partnership), or a member (if **you** are a limited liability company) for a covered **auto** owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an **insured** described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

In addition to the Limit of Insurance, **we** will pay for the **insured**:

- (1) Up to \$2,500 for cost of bail bonds (including bonds for related traffic law violations) required because of an **accident we** cover. **We** do not have to furnish these bonds.
- (2) The cost of bonds to release attachments in any **suit** against the **insured we** defend, but only for bond amounts within **our** Limit of Insurance.
- (3) All reasonable expenses incurred by the **insured** at **our** request, including actual **loss** of earning up to \$500 a day because of time off from work.
- (4) All court costs taxed against the **insured** in any **suit** against the **insured we** defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **insured**.
- (5) All interest on the full amount of any judgment that accrues after entry of the judgment in any **suit** against the **insured we** defend, but **our** duty to pay interest ends when **we** have paid, offered to pay or deposited in court the part of the judgment that is within **our** Limit of Insurance.

b. Out-Of-State Coverage Extensions

While a covered **auto** is away from the state where it is licensed **we** will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered **auto** is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

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- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered **auto** is being used.

However **we** will not pay anyone more than once for the same elements of **loss** because of these extensions; nor will **we** be obligated for underinsured motorist or uninsured motorist coverage which is different than that required by the Terms of this Auto Coverage Form, including applicable endorsements, if any, and Kentucky law.

B. EXCLUSIONS

This insurance does not apply to any **suit** or **claim** for damages, whether direct or consequential, or any cause of action which is covered under any other Coverage Form of this Policy. This insurance also does not apply to any of the following:

1. Expected Or Intended Injury

Bodily injury or **property damage** expected or intended from the standpoint of the **insured**.

2. Contractual Liability

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. assumed in a contract or agreement that is an **insured contract** provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement; or
- b. that the **insured** would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the **insured** or the **insured's** insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

Bodily injury to:

- a. an **employee** of the **insured** arising out of and in the course of:
 - (1) employment by the **insured**; or
 - (2) performing the duties related to the conduct of the **insured's** business; or
- b. the spouse, child, parent, brother or sister of that **employee** as a consequence of paragraph a. above.
- c. Any volunteer firefighter or other volunteer worker of the **insured** if sustained while such person is using or maintaining a covered **auto** or is otherwise engaged in other volunteer firefighting, rescue squad or ambulance corps operations of the **insured**.

This exclusion applies:

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- (1) whether the **insured** may be liable as an employer or in any other capacity; and
- (2) to any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to **bodily injury** to domestic **employees** not entitled to workers' compensation benefits or to liability assumed by the **insured** under an **insured contract**. For the purposes of this Coverage Form, a domestic **employee** is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee Or Volunteer

Bodily injury to any fellow **employee**, or fellow volunteer firefighter or other volunteer worker of the **insured** arising out of and in the course of the fellow **employee's** employment or while performing duties related to the conduct of **your** business, or in the course of volunteer firefighting, rescue squad or ambulance corps operations.

6. Care, Custody Or Control

Property damage to or **covered pollution cost or expense** involving property owned or transported by the **insured** or in the **insured's** care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

Bodily injury or **property damage** resulting from the handling of property:

- a. before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto**; or
- b. after it is moved from the covered **auto** to the place where it is finally delivered by the **insured**.

8. Movement Of Property By Mechanical Device

Bodily injury or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered **auto**.

9. Operations

Bodily injury or **property damage** arising out of the operation of:

- a. any equipment listed in paragraphs f.(2) and f.(3) of the definition of **mobile equipment**; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of **mobile equipment** if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

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Bodily injury or **property damage** arising out of **your work** after that work has been completed or abandoned.

In this exclusion, **your work** means:

- a. work or operations performed by **you** or on **your** behalf; and
- b. materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) when all of the work called for in your contract has been completed;
- (2) when all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

Bodily injury or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- a. for which liability has been assumed by **you** under any contract or agreement whether or not such contract or agreement would otherwise be an **insured contract** or which **you** would have in the absence of the contract or agreement;
- b. onto or about the property of any third party, **insured**, private party or state, local or federal governmental agency or instrumentality;
- c. that are, or that are contained in, any property that is:
 - (1) being transported or towed by, handled, or handled for movement into, onto or from, the covered **auto**;
 - (2) otherwise in the course of transit by or on behalf of the **insured**; or
 - (3) being stored, disposed of, treated or processed in or upon the covered **auto**;
- d. before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by the **insured** for movement into or onto the covered **auto**; or
- e. after the **pollutants** or any property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **insured**.

Paragraphs a., b. and c. above do not apply to fuels, lubricants, fluids, exhaust gases or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts, if:

- (1) the **pollutants** escape, seep, migrate, or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**; and

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- (2) the **bodily injury, property damage** or **covered pollution cost or expense** does not arise out of the operation of any equipment listed in paragraphs f.2. and f.3. of the definition of **mobile equipment**.

Paragraphs d. and e. above of this exclusion do not apply to **accidents** that occur away from premises owned by or rented to an **insured** with respect to **pollutants** not in or upon a covered **auto** if:

- (1) the **pollutants** or any property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto**; and
- (2) the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

12. War

Bodily injury or **property damage** due to war, whether or not declared, or any act or condition incident to **war**. **War** includes civil war, insurrection, rebellion or revolution.

13. Racing

Covered **autos** while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered **auto** is being prepared for such a contest or activity.

14. Autos Garaged Outside the Commonwealth of Kentucky

Covered **autos** which are principally garaged outside of the Commonwealth of Kentucky.

15. Punitive Damages and Attorneys' Fees

A **claim** or judgment, or any part thereof, for punitive damages, attorneys' fees, and/or court costs.

16. Administrative Actions

Bodily injury or **property** damage arising out of or in any way connected with the actions of any administrative board, by whatever name called, acting as a body in its official capacity and arising out of any of the following by whatever name called:

- (1) eminent domain;
- (2) land use planning;
- (3) municipal zoning;
- (4) condemnation;
- (5) inverse or reverse condemnation; or
- (6) adverse possession or dedication by adverse use.

C. LIMIT OF INSURANCE

Regardless of the number of covered **autos, insureds**, vehicles or premiums shown in the Declarations, **claims** made or vehicles involved in the **accident**, the most **we** will pay for the

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total of all damages and **covered pollution cost or expense** combined resulting from any one **accident** to or on behalf of an **insured** is the Limit of Insurance for Auto Liability Coverage shown in the Declarations. Subject to this maximum Limit of Insurance for all damages, the most **we** will pay to or on behalf of an **insured** for all damages sustained in such **accident** is that **insured's** pro rata share of this Limit of Insurance.

All **bodily injury, property damage** and **covered pollution cost or expense** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one **accident**.

No one will be entitled to receive duplicate payments for the same elements of **loss** under this Coverage Form and any Medical Payments Coverage Endorsement, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Form.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. COVERAGE

1. **We** will pay for **loss** to a covered **auto** or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) the covered **auto's** collision with another object; or
- (2) the covered **auto's** overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) fire, lightning or explosion;
- (2) theft;
- (3) windstorm, hail or earthquake;
- (4) flood;
- (5) mischief or vandalism; or
- (6) the sinking, burning, collision or derailment of any conveyance transporting the covered **auto**.

c. Collision Coverage

Caused by:

- (1) the covered **auto's** collision with another object; or
- (2) the covered **auto's** overturn.

2. Towing

We will pay for towing and labor costs incurred up to the maximum amount of \$100.00 each time a covered **auto** of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

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3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If **you** carry Comprehensive Coverage for the damaged covered **auto**, **we** will pay for the following under Comprehensive Coverage:

- (1) glass breakage;
- (2) **loss** caused by hitting a bird or animal; and
- (3) **loss** caused by falling objects or missiles.

However, **you** have the option of having glass breakage caused by a covered **auto's** collision or overturn considered a **loss** under Collision Coverage.

4. Coverage Extension

We will pay up to \$35 per day to a maximum of \$750 for temporary transportation expense incurred by **you** because of the total theft of a covered **auto** of the private passenger type which is owned by **you**. **We** will pay for temporary transportation expenses incurred during the period beginning immediately after discovery of the theft and ending, regardless of the Policy's expiration, when the covered **auto** is returned to use or **we** pay for its **loss**. **We** will pay up to \$35 per day to a maximum of \$750 for temporary transportation expense incurred by **you** because of damage to a covered **auto** of the private passenger type owned by an **insured** and damaged during an **accident** which occurred in the course of official business.

B. EXCLUSIONS

1. This insurance does not apply to any **suit** or **claim** for damages, whether direct or consequential, or any cause of action which is covered under any other Coverage Form of this Policy. **We** will not pay for **loss** caused by or resulting from any of the following. Such **loss** is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **loss**.

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or 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 or action taken by governmental authority in hindering or defending against any of these.

2. **We** will not pay for **loss** to any covered **auto** while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such

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contest or activity. **We** will also not pay for **loss** to any covered **auto** while that covered **auto** is being prepared for such a contest or activity.

3. **We** will not pay for **loss** caused by or resulting from any of the following unless caused by other **loss** that is covered by this insurance:
 - a. wear and tear, freezing, mechanical or electrical breakdown; or
 - b. blowouts, punctures or other road damage to tires.

4. **We** will not pay for **loss** to any of the following:
 - a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
 - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
 - d. Any accessories used with the electronic equipment described in paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

- (1) equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered **auto** at the time of the **loss** or such equipment is removable from a housing unit which is permanently installed in the covered **auto** at the time of the **loss**, and such equipment is designed to be solely operated by use of the power from the **auto's** electrical system, in or upon the covered **auto**; or
- (2) any other electronic equipment that is:
 - (a) necessary for the normal operation of the covered **auto** or the monitoring of the covered **auto's** operating system; or
 - (b) an integral part of the same unit housing any sound reproducing equipment described in (1) above and permanently installed in the opening of the dash or console of the covered **auto** normally used by the manufacturer for installation of a radio.

Exclusions 4.b. and 4.c. and 4.d. do not apply to any equipment that is installed in a covered **auto** which is:

- (1) owned by a police or fire department;
 - (2) equipped as an emergency vehicle and owned by a governmental body or any of its agencies; or
 - (3) equipped as an emergency vehicle and owned by a volunteer fire department, volunteer rescue squad or volunteer ambulance corps.
5. **We** will not pay for **loss** to a covered **auto** due to **diminution in value**.

C. LIMIT OF INSURANCE

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1. The most **we** will pay for **loss** in any one **accident** is the lesser of:
 - a. the actual cash value of the damaged or stolen property immediately prior to the **loss**; or
 - b. the cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total **loss**.
3. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.
4. The most **we** will pay for fire trucks, ambulances and vehicles scheduled to this Policy as Stated Value is the cost of repair or replacing the damaged or stolen vehicle up to the Stated Value of that vehicle. The Stated Value of a vehicle includes all attached equipment.

If the vehicle is a total **loss**, **we** will pay the lesser of:

- a. the Stated Value of that vehicle; or
 - b. for a replacement vehicle of like kind and quality.
- If there is no Stated Value for any fire truck, ambulance or vehicle scheduled to this Policy, the most **we** will pay for any such truck, ambulance or vehicle is the actual cash value for such fire truck, ambulance or vehicle as of the time of the **loss**.

D. DEDUCTIBLE

For each covered **auto**, **our** obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. **You** agree to be responsible for the applicable deductible shown in the Declarations for each covered **auto**. Any Comprehensive Coverage deductible shown in the Declarations does not apply to **loss** caused by fire or lightning.

No deductible applies to **loss** to:

1. Glass used in the windshield, doors and windows of the covered **auto**; and
2. Glass, plastic or any other material used in lights of the covered **auto** required on an **auto** by Chapter 189 of the Kentucky Revised Statutes.

SECTION IV - AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. LOSS CONDITIONS

1. Appraisal For Physical Damage Loss
If **you** and **we** disagree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the

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actual cash value and amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. pay its chosen appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

If **we** submit to an appraisal, **we** will still retain **our** right to deny the **claim**.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

- a. In the event of an **accident, claim, suit** or **loss**, **you** must give **us** or **our** authorized representative prompt notice of the **accident, claim, suit** or **loss**. Include:

- (1) how, when and where the **accident** or **loss** occurred;
- (2) the **insured's** name and address; and
- (3) to the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, **you** and any other involved **insured** must:

- (1) Assume no obligation, make no payment, settlement or incur no expense without **our** consent, except at the **insured's** own cost.
- (2) Immediately send **us** copies of any request, demand, order, notice, summons or legal paper received concerning the **claim** or **suit**.
- (3) Cooperate with **us** in the investigation or settlement of the **claim** or defense against the **suit**.
- (4) Authorize **us** to obtain medical records or other pertinent information.
- (5) Submit to examination, at **our** expense, by physicians of **our** choice, as often as **we** reasonably require.

- c. If there is **loss** to a covered **auto** or its equipment **you** must also do the following:

- (1) Promptly notify the police if the covered **auto** or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered **auto** from further damage. Also keep a record of **your** expenses for consideration in the settlement of the **claim**.
- (3) Permit **us** to inspect the covered **auto** and records proving the **loss** before its repair or disposition.
- (4) Agree to examinations under oath at **our** request and give **us** a signed statement of **your** answers.

3. Legal Action Against Us

No one may bring a legal action against **us** under this Coverage Form until:

- a. there has been full compliance with all the terms of this Coverage Form; and
- b. under Auto Liability Coverage, **we** agree in writing that the **insured** has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. Venue for any **suit** or legal action brought by

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you against **us** or by **us** against **you** concerning **our** duties and obligations to **you** hereunder or otherwise by operation of law shall only be commenced in the courts of the Commonwealth of Kentucky sitting in Franklin County, Kentucky. Any **suit** or legal action brought by **you** against **us** must be commenced within twelve (12) months of the date that the amount of the **claim** against **you** has been determined or agreed upon. Nothing in this Policy gives any person or organization the right to join **us** as a party to a **suit** to determine the **insured's** liability.

4. Loss Payment - Physical Damage Coverages

At **our** option **we** may:

- a. pay for, repair or replace damaged or stolen property;
- b. return the stolen property, at **our** expense. **We** will pay for any damage that results to the **auto** from the theft; or
- c. take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the **loss**, our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom **we** make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure **our** rights and must do nothing after the **accident** or **loss** to impair them.

B. AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Concealment, Misrepresentation Or Fraud

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

- a. this Coverage Form;
- b. the covered **auto**;
- c. **your** interest in the covered **auto**; or
- d. a **claim** under this Coverage Form.

2. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

3. Other Insurance

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- a. For any covered **auto you** own this Coverage Form provides primary insurance. For any covered **auto you** don't own, while being used in connection with **your** business, the insurance provided by this Coverage Form is primary unless indicated otherwise in the Declarations. For any other covered **auto you** don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered **auto** which is a **trailer** is connected to another vehicle, the Liability Coverage this Coverage Form provides for the **trailer** is:
 - (1) excess while it is connected to a motor vehicle **you** do not own; and
 - (2) primary while it is connected to a covered **auto you** own.
- b. For Hired **Auto** Physical Damage coverage, any covered **auto you** lease, hire, rent or borrow is deemed to be a covered **auto you** own. However, any **auto** that is leased, hired, rented or borrowed with a driver is not a covered **auto**.
- c. Regardless of the provisions of paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an **insured contract**.
- d. When this Coverage Form and any other Coverage Form or Policy covers on the same basis, either excess or primary, **we** will pay only **our** share. **Our** share is the proportion that the Limit of Insurance of **our** Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

4. Policy Period, Coverage Territory

Under this Coverage Form, **we** cover **accidents** and **losses** occurring:

- a. during the Policy Period shown in the Declarations; and
- b. within the coverage territory.

The coverage territory is:

- (1) the United States of America;
- (2) the territories and possessions of the United States of America;
- (3) Puerto Rico; and
- (4) Canada

We also cover **loss** to, or **accidents** involving, a covered **auto** while being transported between any of these places.

5. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or Policy issued to **you** by **us** apply to the same **accident**, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or Policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

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SECTION V - DEFINITIONS

1. **Accident** - includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage**.
2. **Auto** - a land motor vehicle, **trailer** or semitrailer designed for travel on public roads or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. However, **auto** does not include **mobile equipment**.
3. **Bodily injury** - bodily injury, sickness or disease sustained by a person including death resulting from any of these.
4. **Claim** -
 - a. a **suit**; or
 - b. a written demand or written notice made by or for the injured person for damages because of alleged injury or stating the intent to hold an **insured** liable for damages.
5. **Covered pollution cost or expense** - any cost or expense, up to the maximum aggregate amount of \$25,000 per **accident**, arising out of:
 - a. any request, demand, rule or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way responds to, or assess the effects of **pollutants**; or
 - b. any **claim** or **suit**
by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

Covered pollution cost or expense does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

 - (1) onto or about **your** property and/or property of any third party, **insured**, private party, or state, local or federal governmental agency or instrumentality; or
 - (2) that are, or that are contained in, any property that is:
 - (a) being transported or towed by, handled, or handled for movement into, onto or from the covered **auto**;
 - (b) otherwise in the course of transit by or on behalf of the **insured**;
 - (c) being stored, disposed of, treated or processed in or upon the covered **auto**;or
 - (3) before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by the **insured** for movement into or onto the covered **auto**; or
 - (4) after the **pollutants** or any property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **insured**.

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Paragraphs (1) and (2) above do not apply to fuels, lubricants, fluids, exhaust gases or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts, if:

- a. the **pollutants** escape, seep, migrate, or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**; and
 - b. the **bodily injury, property damage or covered pollution cost or expense** does not arise out of the operation of any equipment listed in paragraphs f.(2) or f.(3) of the definition of **mobile equipment**. Paragraphs (3) and (4) above do not apply to **accidents** that occur away from premises owned by or rented to an **insured** with respect to **pollutants** not in or upon a covered **auto** if:
 - a. the **pollutants** or any property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto**; and
 - b. the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.
6. **Diminution in value** means the actual or perceived loss in market value or resale value which results from a direct and accidental **loss**.
7. **Employee** - includes a **leased worker**. **Employee** does not include a **temporary worker**.
8. **Insured** - any person or organization qualifying as an **insured** in the **Who Is An Insured** provision of the applicable coverage.
Except with respect to the Limit of Insurance, the coverage afforded applies separately to each **insured** who is seeking coverage or against whom a **claim** or **suit** is brought.
9. **Insured contract** -
- a. a lease of premises;
 - b. a sidetrack agreement;
 - c. any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. that part of any other contract or agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a municipality) under which **you** assume the tort liability of another to pay for **bodily injury** or **property damage** to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
 - f. that part of any contract or agreement entered into, as part of **your** business, pertaining to the rental or lease, by **you** or any of **your employees**, of any **auto**. However, such contract or agreement shall not be considered an **insured contract** to the extent that it obligates **you** or any of **your employees** to pay for **property damage** to any **auto** rented or leased by **you** or any of **your employees**.

An **insured contract** does not include that part of any contract or agreement:

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- (1) that indemnifies any person or organization for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or
 - (2) that pertains to the loan, lease or rental of an **auto** to **you** or any of **your employees**, if the **auto** is loaned, leased or rented with a driver; or
 - (3) that holds a person or organization engaged in the business of transporting property by **auto** for hire harmless for **your** use of a covered **auto** over a route or territory that person or organization is authorized to serve by public authority.
10. **Leased worker** - a person leased to **you** by a labor leasing firm under an agreement between **you** and the labor leasing firm, to perform duties related to the conduct of **your** business. **Leased worker** does not include a **temporary worker**.
11. **Loss** - direct and accidental loss or damage.
12. **Mobile equipment** - any of the following types of land vehicles, including any attached machinery or equipment:
- a. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. vehicles maintained for use solely on or next to premises **you** own or rent;
 - c. vehicles that travel on crawler treads;
 - d. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) power cranes, shovels, loaders, diggers or drills; or
 - (2) road construction or resurfacing equipment such as graders, scrapers or rollers.
 - e. vehicles not described in paragraphs a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) cherry pickers and similar devices used to raise or lower workers.
 - f. vehicles not described in paragraphs a., b., c., d. or e. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - (1) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing; or
 - (c) street cleaning;
 - (2) cherry pickers and similar devices mounted on an **auto** or truck chassis and used to raise or lower workers; and

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- (3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

However, vehicles not described in a. through f. above which are designed for travel on public roads but not licensed are not **mobile equipment**.

Mobile Equipment does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **autos**.

13. **Pollutants** - any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

14. **Property damage** – physical damage to or loss of use of tangible property.

15. **Suit** - a civil or administrative proceeding in which:

- a. damages because of **bodily injury** or **property damage**, or
- b. a **covered pollution cost or expense**; to which this insurance applies, are alleged.

Suit includes:

- (1) an arbitration proceeding in which such damages or **covered pollution costs or expenses** are **claimed** and to which the **insured** must submit or does submit with **our** consent; or
- (2) any other alternative dispute resolution proceeding in which such damages or **covered pollution costs or expenses** are **claimed** and to which the **insured** submits with **our** consent.

16. **Temporary worker** - a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

17. **Trailer** - includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COVERED POLLUTION COST OR EXPENSES
BROADENED COVERAGE FOR COVERED AUTOS**

This endorsement modifies the insurance provided under the AUTO COVERAGE FORM. With respect to the coverage provided by this endorsement, all provisions of the Coverage Form apply, unless modified by this endorsement.

SECTION V – DEFINITIONS, numerical paragraph 5 of the Auto Coverage Form is deleted and replaced with the following:

5. **Covered pollution cost or expense** - any cost or expense, up to the maximum aggregate amount of \$50,000 per **accident**, arising out of:
 - a. any request, demand, rule or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way responds to, or assess the effects of **pollutants**; or
 - b. any **claim** or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

Covered pollution cost or expense does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- (1) onto or about **your** property and/or the property of any third party, **insured**, private party, or state, local or federal governmental agency or instrumentality; or
- (2) that are, or that are contained in, any property that is:
 - (a) being transported or towed by, handled, or handled for movement into, onto or from the covered **auto**;
 - (b) otherwise in the course of transit by or on behalf of the **insured**;
 - (c) being stored, disposed of, treated or processed in or upon the covered **auto**; or
- (3) before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by the **insured** for movement into or onto the covered **auto**; or
- (4) after the **pollutants** or any property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **insured**.

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Paragraphs (1) and (2) above do not apply to fuels, lubricants, fluids, exhaust gases or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts, if:

- a. the **pollutants** escape, seep, migrate, or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**; and
- b. the **bodily injury, property damage or covered pollution cost or expense** does not arise out of the operation of any equipment listed in paragraphs f.(2) or f.(3) of the definition of **mobile equipment**.

Paragraphs (3) and (4) above do not apply to **accidents** that occur away from premises owned by or rented to an **insured** with respect to **pollutants** not in or upon a covered **auto** if:

- a. the **pollutants** or any property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto**; and
- b. the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEIZED OR CONFISCATED AUTOS

This endorsement modifies the insurance provided under the AUTO COVERAGE FORM. With respect to the coverage provided by this endorsement, all provisions of the Coverage Form apply, unless modified by this endorsement.

Under Subsection A. Description of Covered Autos of **SECTION I - COVERED AUTOS**, the following additional language is added.

5. **SEIZED OR CONFISCATED AUTOS.** Any **auto** that is seized or confiscated by any law enforcement agency for which record title has not been placed in **your** name is covered only to the extent stated in **SECTION III – PHYSICAL DAMAGE COVERAGE**.

Under **SECTION III – PHYSICAL DAMAGE COVERAGE** and **A. COVERAGE** the following additional language is added.

5. Additional Coverage

We will pay for **loss**, including due to theft, to an **auto** that is seized or confiscated by any law enforcement agency for which record title has not been placed in **your** name if the **loss** occurs while the **auto** is in **your** care, custody or control and stored at a secure location.

Regardless of the number of **autos** seized or confiscated, the most **we** will pay for all damage to seized or confiscated **autos** resulting from any **loss** from any one **accident** is the maximum aggregate amount of \$100,000.

ENDORSEMENT TO AUTO COVERAGE FORM OF POLICY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage document(s):

AUTO COVERAGE FORM

The following language is added as Paragraphs 6. and 7. respectively, of Subsection A.
Description of Covered Autos of **SECTION I - COVERED AUTOS**:

6. Notwithstanding anything contained in Paragraphs 1 through 4 above, no Automobile which is owned by **you** and listed on another policy of insurance shall be covered under this policy.

7. Notwithstanding anything contained in Paragraphs 3 and 4 above, no vehicle owned by an EMT, paramedic or ambulance services professional working for, on behalf of or under the supervision or direction of a person or entity other than **you** shall be covered under this policy.

NEW CAR REPLACEMENT ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the AUTO COVERAGE FORM. With respect to the coverage provided by this Endorsement, the provisions of the Auto Coverage Form apply unless modified by this or subsequent endorsement.

The language below is added to Subsection C. LIMIT OF INSURANCE of **SECTION III - PHYSICAL DAMAGE COVERAGE** as a new Paragraph 5:

5. Notwithstanding the foregoing provisions of this Section C. paragraphs 1 through 4 above, in the event of the total loss of a vehicle which is owned by the **Named Insured**, has been driven less than 40,000 miles, and which loss occurs on or before December 31 of the year following the model year of the vehicle, we will either pay to replace the vehicle with a new vehicle of like kind and quality up to a maximum total cost, including equipment, of \$100,000 or pay the actual cash value of the damaged or stolen vehicle.

UNDERINSURED MOTORISTS COVERAGE ENDORSEMENT

Limit of Insurance
\$60,000 Each Accident

This Endorsement modifies insurance provided under the AUTO COVERAGE FORM. With respect to the coverage provided by this Endorsement, the provisions of the Auto Coverage Form apply unless modified by subsequent endorsement.

A. COVERAGE

1. We will pay all sums the **insured** is legally entitled to recover as compensatory damages from the owner or driver of an **underinsured motor vehicle**. The damages must result from **bodily injury** sustained by the **insured** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the **underinsured motor vehicle**.
2. Any judgment for damages arising out of a **suit** brought without **our** written consent is not binding on **us**.

B. WHO IS AN INSURED

The following are **insureds**:

1. **You**, for any covered **auto**.
2. Anyone while using or occupying with **your** permission in the course of **your** business a covered **auto, you** own, hire or borrow.
3. Anyone for damages he or she is entitled to recover because of **bodily injury** sustained by another **insured**.

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Any claim settled without **our** consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. **Bodily injury** sustained by an **insured** while **occupying** or struck by any vehicle owned by **you** or any **family member** that is not a covered **auto**.

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4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
5. Punitive or exemplary damages.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered **autos, insureds**, vehicles or premiums shown in the Declarations, or claims made or vehicles involved in the **accident**, the most **we** will pay for all damages resulting from any one **accident** is \$60,000. Subject to this maximum Limit of Insurance for damages, the most **we** will pay for all damages sustained in such **accident** to or on behalf of an **insured** is that **insured's** pro rata share of \$60,000. A person's pro rata share is the proportion that that person's damages bears to the total damages sustained by all **insureds**.
2. No one will be entitled to receive duplicate payments for the same elements of **loss** under this Endorsement, the Auto Coverage Form or any Liability Coverage Form, Medical Payments Coverage or Uninsured Motorists Coverage.
3. **We** will not make a duplicate payment under this Coverage for any element of **loss** for which payment has been made by or for anyone who is legally responsible.
4. **We** will reduce the **insured's** total damages by any amount available to that **insured** under any liability bonds or policies applicable to the **underinsured motor vehicle** that such **insured** did not recover as a result of the settlement between that **insured** and the insurer of an **underinsured motor vehicle**. However, any reduction of the **insured's** total damages will not reduce the limit of liability for this coverage. This paragraph shall not apply if **we** advance payment to the **insured** in an amount equal to the tentative settlement with the insurer of the **uninsured motor vehicle**.
5. **We** will not pay for any element of **loss** if a person is entitled to receive payment for the same element of **loss** under any workers' compensation, disability benefits or similar law.

E. CHANGES IN CONDITIONS

The CONDITIONS in the AUTO COVERAGE FORM are changed for UNDERINSURED MOTORISTS COVERAGE as follows:

1. OTHER INSURANCE in the Auto Coverage Form is changed by adding the following:
 - a. The reference to "other collectible insurance" applies only to other collectible underinsured motorists insurance.
 - b. Any insurance **we** provide with respect to a vehicle owned by the Named **Insured** or any **family member**, that is not a covered **auto** for Underinsured Motorists Coverage under this Coverage Form, shall be excess over any other collectible underinsured motorists insurance providing coverage on a primary basis.

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2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:

A person seeking Underinsured Motorists Coverage must also promptly notify **us** in writing of a tentative settlement between the **insured** and the insurer of the **underinsured motor vehicle** and allow **us** to advance payment to that **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve **our** rights against the insurer, owner or operator of such **underinsured motor vehicle**.

3. LEGAL ACTION AGAINST US is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against **us** under this Coverage Form until there has been full compliance with the terms of this Coverage Form.
- b. Any legal action against **us** under this Coverage Form must be brought within two years after the date of the **accident**. However, this Paragraph 3.b. does not apply to an **insured** if, within two years after the date of the **accident**, **we** and the **insured** agree to arbitration in accordance with this endorsement.

4. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is changed by adding the following:

Our rights do not apply under this provision with respect to Underinsured Motorists Coverage if **we**:

- a. Have been given prompt written notice by certified or registered mail of a tentative settlement between the **insured** and the insurer of an **underinsured motor vehicle**; and
- b. Fail to advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification:

If **we** advance payment to an **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the **insured** is entitled to recover under the provisions of the Underinsured Motorists Coverage; and
- b. **We** also have the right to recover the advanced payment. In any recovery, **we** will be entitled to payment only after the **insured** has been fully compensated.

5. The following Condition is added:

ARBITRATION

- a. If **we** and an **insured** disagree whether the **insured** is legally entitled to recover damages from the owner or driver of an **underinsured motor vehicle** or do not agree as to the amount of damages

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that are recoverable by that **insured**, then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. Either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.
 - c. The **insured** shall not be required to arbitrate disputed claims.
6. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US does not apply to Underinsured Motorists Coverage. However, no one will be entitled to receive duplicate payments for the same element of **loss**.

F. ADDITIONAL DEFINITIONS

As used this coverage:

- 1. **Family member** means a person related to an **insured** by blood, marriage or adoption who is a resident of the **insured**'s household, including a ward or foster child.
- 2. **Occupying** means in, upon, getting in, on, out or off.
- 3. **Underinsured motor vehicle** means a land motor vehicle or trailer to which a liability bond or policy applies at the time of an **accident**, but the amount paid for bodily injury under that bond or policy to the **insured** is not enough to pay the full amount the **insured** is legally entitled to recover as damages.

However, **underinsured motor vehicle** does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed for use mainly off public roads while not on public roads and not covered by Kentucky Revised Statutes Chapter 304, Subtitle 39;
- d. To which a bodily injury liability bond or policy applies at the time of the accident but its limit for **bodily injury** liability is less than the minimum limit for **bodily injury** liability

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specified by the financial responsibility law of the state in which the covered **auto** is principally garaged; or

- e. Owned by or furnished or available for the regular use of **you** or any **family member**.

UNINSURED MOTORIST COVERAGE ENDORSEMENT

Limit of Insurance
\$60,000.00 Each Accident

This Endorsement modifies insurance provided under the AUTO COVERAGE FORM. With respect to the coverage provided by this Endorsement, the provisions of the Auto Coverage Form apply unless modified by subsequent endorsement.

A. COVERAGE

1. **We** will pay all sums the **insured** is legally entitled to recover as compensatory damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from **bodily injury** sustained by the **insured** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the **uninsured motor vehicle**.
2. Any judgment for damages arising out of a **suit** brought without **our** written consent is not binding on **us**.

B. WHO IS AN INSURED

The following are **insureds**:

1. **You**, for any covered **auto**.
2. Anyone while using or occupying with **your** permission in the course of **your** business a covered **auto**, **you** own, hire or borrow.
3. Anyone for damages he or she is entitled to recover because of **bodily injury** sustained by another **insured**.

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Any claim settled without **our** consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. **Bodily injury** sustained by an **insured** while **occupying** or struck by any vehicle owned by the **insured** or any **family member** of the **insured** that is not a covered **auto**.

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4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
5. Punitive or exemplary damages.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered **autos, insureds**, vehicles or premiums shown in the Declarations, or claims made, or vehicles involved in the **accident**, the most **we** will pay for all damages resulting from any one **accident**, is \$60,000. Subject to this maximum Limit of Insurance for all damages, the most **we** will pay for all damages sustained in such **accident** to or on behalf of an **insured** is that **insured's** pro rata share of \$60,000. A person's pro rata share is the proportion that that person's damages bears to the total damages sustained by all **insureds**.
2. If the **bodily injury** is sustained by any **insured**, in an **accident**, the limit of liability of \$60,000 is **our** maximum limit of liability for all damages resulting from any such **accident**.
3. No one will be entitled to receive duplicate payments for the same elements of **loss** under this Endorsement, the Auto Coverage Form or any Liability Coverage, Medical Payments Coverage or Underinsured Motorists Coverage.
4. **We** will not make a duplicate payment under this Coverage for any element of **loss** for which payment has been made by or for anyone who is legally responsible.
5. **We** will not pay for any element of **loss** if a person is entitled to receive payment for the same element of **loss** under any workers' compensation, disability benefits or similar law.

E. CHANGES IN CONDITIONS

The CONDITIONS in the AUTO COVERAGE FORM apply to this coverage with modifications for UNINSURED MOTORISTS COVERAGE as follows:

1. The OTHER INSURANCE Condition in the Auto Coverage Form is changed by adding the following:
 - a. The reference to "other collectible insurance" applies only to other collectible uninsured motorists insurance.
 - b. Any insurance **we** provide with respect to a vehicle owned by the Named **Insured** or any **family member**, that is not a covered **auto** for Uninsured Motorists Coverage under this Coverage Form, shall be excess over any other collectible underinsured motorists insurance providing coverage on a primary basis.

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2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:

- a. promptly notify the police if a hit-and-run driver is involved, and
- b. promptly send **us** copies of the legal papers if a **suit** is brought.

3. LEGAL ACTION AGAINST US is replaced by the following

Legal Action Against Us

- a. No one may bring a legal action against **us** under this Coverage Form until there has been full compliance with the terms of this Coverage Form.
- b. Any legal action against **us** under this Coverage Form must be brought within two years after the date of the **accident**. However, this Paragraph 3.b. does not apply to an **insured** if, within two years after the date of the **accident**, **we** and the **insured** agree to arbitration in accordance with this endorsement.

4. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is changed by adding the following:

If **we** make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for **us** and pay **us** back the amount **we** have paid.

In any recovery, **we** will be entitled to payment only after the **insured** has been fully compensated.

5. The following Conditions are added:

ARBITRATION

- a. If **we** and an **insured** disagree whether the **insured** is legally entitled to recover damages from the owner or driver of an **uninsured motor vehicle** or do not agree as to the amount of damages that are recoverable by that **insured**, then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. Either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expense of the third arbitrator equally.

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- b. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.
 - c. The **insured** will not be required to arbitrate disputed claims.
6. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US does not apply to Uninsured Motorists Coverage. However, no one will be entitled to receive duplicate payments for the same element of **loss**.

F. ADDITIONAL DEFINITIONS

As used in this coverage:

- 1. **Family member** means a person related to an **insured** by blood, marriage or adoption who is a resident of the insured household, including a ward or foster child.
- 2. **Occupying** means in, upon, getting in, on, out or off.
- 3. **Uninsured motor vehicle** means a land motor vehicle or trailer:
 - a. For which no liability bond or policy at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged;
 - b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
 - c. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an **insured**, a covered **auto** or a vehicle an **insured** is **occupying** or must hit another vehicle which, in turn, hits an **insured**, a covered **auto** or a vehicle an **insured** is **occupying**.

However, **uninsured motor vehicle** does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

PERSONAL INJURY PROTECTION ENDORSEMENT

This Endorsement modifies insurance provided under the AUTO COVERAGE FORM. With respect to the coverage provided by this Endorsement, the provisions of the Auto Coverage Form apply unless modified by subsequent endorsement.

A. COVERAGE

We will pay Personal Injury Protection benefits in accordance with Kentucky Revised Statutes Chapter 304, Subtitle 39 incurred with respect to **bodily injury** sustained by an **insured** and caused by an **accident** arising out of the operation, maintenance or use of a **motor vehicle** as a vehicle.

These Personal Injury Protection benefits consist of the following:

1. **Medical Expense.** Reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, and other remedial treatment and care, any nonmedical remedial treatment rendered in accordance with a recognized religious method of healing, and any healing arts professions of a type licensed by the Commonwealth of Kentucky, provided that medical expense shall not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semiprivate accommodations, unless intensive care is medically required.
2. **Work Loss.** Loss of income from work the **insured** would probably have performed if he or she had not been injured, and expenses reasonably incurred by him or her in obtaining services in lieu of those he or she would have performed for income, reduced by any income from substitute work actually performed by him or her.
3. **Replacement Services Loss.** Expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the **insured** would have performed, not for income, but for the benefit of himself or his family if he had not been injured.
4. **Survivor's Economic Loss.** Loss after the **insured's** death of contributions of things of economic value to his **survivors**, not including services they would have received from the **insured** had he not suffered the fatal injury, less expenses of **survivors** avoided by reason of the eligible injured person's death.
5. **Survivor's Replacement Services Loss.** Expenses reasonably incurred by **survivors** after the **insured's** death in obtaining ordinary and necessary services in lieu of those the **insured** would have performed for their benefit had he not suffered the fatal injury, less expenses of the **survivors** avoided by reason of the **insured's** death and not subtracted in calculating survivor's economic loss.
6. **Funeral Expense.** Reasonable charges incurred for expenses in any way related to funeral, cremation, or burial.

B. WHO IS AN INSURED

1. The **named insured** or any **relative** who sustains **bodily injury** while **occupying** or while a **pedestrian** through being struck by any **motor vehicle**, provided that, if such person has rejected the limitation upon his tort rights pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, he shall not be an **insured**, unless personal injury protection coverage has subsequently been purchased for such person under this policy, or
2. Any other person who sustains **bodily injury** while **occupying** or while a **pedestrian** through being struck by the **insured motor vehicle**, provided that, if such person has rejected the limitation upon his tort right pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, he shall not be an **insured**.

C. EXCLUSIONS

We will not pay personal injury protection benefits for **bodily injury**:

1. Sustained by the **named insured** or any **relative**, who has not rejected his tort limitation pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, while **occupying** or while a **pedestrian** through being struck by, any **motor vehicle**, other than the **insured motor vehicle**, with respect to which the security required under the Kentucky Revised Statutes Chapter 304, Subtitle 39, is in effect unless the provider of such security fails to make payment for loss within 30 days of reasonable proof of the fact and the amount of loss sustained.
2. Sustained by any person if such injury arises from his conduct within the course of a business of repairing, servicing or otherwise maintaining **motor vehicles** unless such conduct occurs off the business premises.
3. Sustained by any person arising from conduct in the course of loading or unloading any **motor vehicle** unless such conduct occurs while **occupying** such **motor vehicle**.
4. With respect to any benefits any person would otherwise be entitled to receive hereunder for **bodily injury** intentionally caused by such person or arising out of his intentionally attempting to cause **bodily injury**, and, if any person dies as a result of intentionally causing or attempting to cause **bodily injury** to himself, his survivors are not entitled to any survivor's economic loss or survivor's replacement services loss benefits.
5. Sustained by any **pedestrian**, other than the **named insured** or any **relative**, outside the Commonwealth of Kentucky.
6. Sustained by any person, other than the **named insured** or any **relative** while **occupying a motor vehicle** which is regularly used in the course of the business of transporting persons or property and which is one of five or more **motor vehicles** under common ownership, or a **motor vehicle** owned by a government other than the Commonwealth of Kentucky, its political subdivisions, municipal corporations, or public agencies, if the accident occurs outside the Commonwealth of Kentucky.

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This exclusion does not apply to **bodily injury** sustained by any occupant of a bus if such occupant is a Kentucky resident, boarded the bus in Kentucky and the bus is registered in Kentucky with the security required under Kentucky Revised Statutes Chapter 304, Subtitle 39. However, this exception does not apply if the bus is owned by a government other than the Commonwealth of Kentucky, its political subdivisions, municipal corporations or public agencies.

7. Sustained by any person arising out of the use of any **motor vehicle** while located as a residence or premises.
8. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.
9. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
10. Sustained by any person while **occupying** a motorcycle, unless the Declarations indicates a premium for Motorcycle Personal Injury Protection Coverage.
11. Sustained by any person other than the **named insured** or any **relative** which arises from the operation, maintenance or use of a **motor vehicle** without a good faith belief that he or she is legally entitled to do so.

D. LIMIT OF INSURANCE

1. Regardless of the number of persons insured, policies or approved plans of self-insurance applicable, premiums paid, claims made or **insured motor vehicles** to which this coverage applies, **our** liability for personal injury protection benefits with respect to **bodily injury** sustained by any one **insured** in any one **motor vehicle accident** shall not exceed \$10,000 in the aggregate, and subject to such aggregate limit:
 - a. The maximum amount payable for work loss, replacement services loss, survivor's economic loss, and survivor's replacement services loss shall not exceed \$200 per week in the aggregate prorated for any lesser period, provided that if the **insured's** earnings or work are seasonal or irregular, the weekly limit shall be equitably adjusted or apportioned on an annual basis;
 - b. The maximum amount payable for funeral expense shall not exceed \$1,000.
2. Any amount payable by **us** under the terms of this coverage shall be reduced by any applicable deductible set forth in the Declarations, but only with respect to **bodily injury** sustained by the **named insured** or any **relative**, provided that, if two or more such persons sustain **bodily injury** in the same **motor vehicle accident**, such deductible applicable to all of them shall not exceed such deductible amount and such amount shall be allocated equally among them. Provided further that, a **named insured** or **relative** is entitled to receive under this coverage the difference between this deductible and a greater deductible applicable under another policy applying to personal injury protection coverage pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39.

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3. In calculating loss or expense for which personal injury protection benefits are payable under this coverage, a reduction shall be made in the amount of:
 - a. All benefits or advantages a person receives or is entitled to receive from workers' compensation, unless these benefits or advantages have not been received before personal injury protection benefits are overdue or the claim is paid.
 - b. Any income tax saving resulting from benefits or advantages received for loss of income under this coverage or from like benefits or advantages received under workers' compensation which are not considered taxable income, provided that the maximum reduction may not exceed 15% of the loss of income and shall be in lesser amount if the claimant furnishes to **us** reasonable proof of a lower value of the income tax advantage.

E. CHANGES IN CONDITIONS

The CONDITIONS in the AUTO COVERAGE FORM apply to this coverage with modifications for PERSONAL INJURY PROTECTION as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is amended by the addition of the following:
 - a. In the event of an **accident**, written notice containing particulars sufficient to identify the **insured**, and also reasonably obtainable information respecting the time, place and circumstances of the **accident** shall be given by or on behalf of each **insured** to **us** or any of its authorized agents as soon as practicable.
 - b. As soon as practicable, the **insured** or someone on his behalf shall give **us** written proof of claim, under oath if required, including full particulars of the nature and extent of the **bodily injury** treatment and rehabilitation received and contemplated and such other information as may assist **us** in determining the amount due and payable. The **insured** shall submit to physical and mental examination by physicians selected by **us** when and as often as **we** may reasonably require.
2. The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition is replaced by the following:

Subject to the provisions of the Kentucky Revised statutes Chapter 304, Sub Title 39, in the event of any payment under this coverage, the Company is subrogated to the rights of the person to whom or for whose benefit such payments were made to the extent of such payments. Such person shall execute and deliver the instruments and papers and do whatever else is necessary to secure such rights. Such person shall do nothing after loss to prejudice such rights.

3. The OTHER INSURANCE Condition in the Auto Coverage Form is replaced by the following:

In the event an **insured** has other similar insurance, including approved self-insurance plans, available and applicable to the **accident**, the maximum recovery under all such insurance

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shall not exceed the amount which would have been payable under the provisions of the insurance providing the highest dollar limit, and the Company shall not be liable for a greater proportion of any loss to which this coverage applies than the limit of liability hereunder bears to the sum of the applicable limit of liability of this coverage and such other insurance.

4. The following CONDITIONS are added:

EXCESS COVERAGES

- a. Any amount payable under the uninsured motorists coverage shall be excess insurance over any personal injury protection benefits paid or payable under this or any other automobile insurance policy because of **bodily injury** sustained by an **insured**.
- b. Any automobile medical payments or expense coverages afforded under this policy shall be excess insurance over any personal injury protection benefits paid or payable but for the application of a deductible under this or any other automobile insurance policy because of **bodily injury** sustained by an **insured**.

NON-DUPLICATION OF BENEFITS

No **insured** shall recover duplicate benefits for the same elements of loss under this or any similar insurance, including approved self-insurance plans.

CONSTITUTIONALITY CLAUSE

The premium for and the coverages of this Policy have been established in reliance upon the provisions of the Kentucky Revised Statutes Chapter 304, Subtitle 39. In the event a court of competent jurisdiction declares, or enters a judgment the effect of which is to render, the provisions of such statutes invalid or unenforceable in whole or in part, **we** shall have the right to recompute the premium payable for the Policy and the provisions of this endorsement shall be voidable or subject to amendment at **our** option.

NOTICE TO POLICYHOLDERS

Acceptance of the coverage described in Kentucky Revised Statutes Chapter 304, Subtitle 39, places some limitations on your right to bring **suit** for **bodily injury**. KRS 304.39-060 reads in part:

- (1) Any person who registers, operates, maintains or uses a **motor vehicle** on the public roadways of this Commonwealth shall, as a condition of such registration, operation, maintenance or use of such **motor vehicle** and use of the public roadways, be deemed to have accepted the provisions of this Act, and in particular those provisions which are contained in this section.
- (2) (a) Tort liability with respect to accidents occurring in this Commonwealth and arising from the ownership, maintenance, or use of a **motor vehicle** is "abolished" for damages because of **bodily injury**, sickness or disease to the extent the basic reparation benefits provided in this Act are payable thereof, or that would be payable but for any deductible authorized by this Act, under any insurance policy or other method of

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security complying with the requirements of this Act, except to the extent non-economic detriment qualifies under subsection (2)(b) hereof.

- (b) In any action of tort brought against the owner, registrant, operator or occupant of a **motor vehicle** with respect to which security has been provided as required in this Act, or against any person or organization legally responsible for his acts or omissions, a plaintiff may recover damages in tort for pain, suffering, mental anguish and inconvenience because of **bodily injury**, sickness or disease arising out of the ownership, maintenance, operation or use of such **motor vehicle** only in the event that the benefits which are payable for such injury as 'medical expense' or which would be payable but for any exclusion or deductible authorized by this Act exceed \$1,000.00 or the injury or disease consists in whole or in part of permanent disfigurement, a fracture to a bone, a compound, comminuted, displaced or compressed fracture, loss of a body member, permanent injury within reasonable medical probability, permanent loss of bodily function or death. Any person who is entitled to receive free medical and surgical benefits shall be deemed in compliance with the requirements of this subsection upon a showing that the medical treatment received has an equivalent value of at least \$1,000.
- (c) Tort liability is not so limited for injury to a person who is not an owner, operator, maintainer or user of a **motor vehicle** within subsection (1) of this section, nor for injury to the passenger of a motorcycle arising out of the maintenance or use of such motorcycle.
- (3) Any person may refuse to consent to the limitations of his tort rights and liabilities as contained in this section. Such rejection must be in writing or electronically in a form to be prescribed by the Department of Insurance and must have been executed and filed with the Department at a time prior to any **motor vehicle** accident for which such rejection is to apply.

These are some of the exceptions to the limitations on **your** right to sue and are not intended to comprise a complete enumeration of all circumstances under which **suit** may be brought for **bodily injury**.

F. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. **Named insured** means the person or organization named in the Declarations.
2. **Motor vehicle** means a vehicle as defined in Kentucky Revised Statutes Chapter 304, Subtitle 39.
3. **Insured motor vehicle** means a **motor vehicle** with respect to which:
 - a. The **bodily injury** liability insurance of the policy applies and for which a specific premium is charged, and

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- b. The **named insured** is required to maintain security under the provisions of Kentucky Revised Statutes Chapter 304, Subtitle 39.
4. **Occupying** means in or upon, entering into or alighting from.
5. **Pedestrian** means a person who is not **occupying a motor vehicle** at the time the injury occurs.
6. **Relative** means the spouse and any person related to the **named insured** by blood, marriage, or adoption including a minor in the custody of the **named insured**, spouse or such related person who is a resident of the same household as the **named insured**, whether or not temporarily residing elsewhere, but does not include any such person who is a **named insured** under any other policy providing the security under Kentucky Revised Statutes Chapter 304, Subtitle 39.
7. **Survivor** means a person identified in Kentucky Revised Statutes Section 411.130 as one entitled to receive benefits by reason of the death of another person.

CYBER LIABILITY AND EXPENSE COVERAGE FORM

THIS IS CLAIMS MADE AND REPORTED COVERAGE

Coverage	Per Event and Coverage Period Aggregate Limits		Deductible	Retroactive Date(s)
	Per Event	Coverage Period Aggregate		
Privacy or Security Event Liability and Expense	\$1,000,000	\$1,000,000	\$2,500	As stated in the declarations for Cyber Coverage
Pool Aggregate Limit		\$10,000,000		
Sublimits:				
Privacy or Security Event Liability	Included	Included		
Privacy Response Expenses	\$500,000	\$500,000		
Regulatory Proceedings and Penalties	\$500,000	\$500,000		
PCI-DSS Assessments	\$500,000	\$500,000		
Electronic Equipment, Electronic Data, and Network Interruption Costs	\$250,000	\$250,000		
Waiting Hours Period	12 hours			
Cyber Extortion Expenses and Monies	\$50,000	\$50,000		

1. Privacy or Security Event Liability and Expense Coverage Agreement

The following coverages are limited as described in Section 3. The right and duty of the Pool to defend ends when the applicable limit of liability is exhausted in the payment of judgments or settlements, **Regulatory Penalties, Claims Expenses, Privacy Response Expenses, PCI-DSS Assessments, Electronic Equipment and Electronic Data Damage, Network Interruption Costs, Cyber Extortion Expenses, and Cyber Extortion Monies.** This coverage only applies if:

- i. The **Privacy or Security Event** or **Cyber Extortion Threat** commenced on or after the Retroactive Date, if any, shown in the Declarations and before the end of the Coverage Period;
- ii. A **Claim** for damages because of the **Privacy or Security Event** is first made against the Covered Person during the Coverage Period or any Extended Reporting Period provided under Section 7; and

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iii. The Covered Person gives written notice to the Pool in accordance with Section 4.

A **Claim** seeking damages will be deemed to have been made when notice of the **Claim** is received by any Covered Person or by the Pool, whichever occurs first.

A. Privacy or Security Event Liability

The Pool will pay those sums a Covered Person becomes legally obligated to pay as damages because of a **Privacy or Security Event**. The Pool will have the right and duty to defend the Covered Person against any **Suit** seeking such damages. However, the Pool will have no duty to defend any Covered Person against any **Suit** seeking damages to which this coverage does not apply. The Pool may at its discretion investigate any **Privacy or Security Event** and settle any **Claim** that may result.

B. Privacy Response Expenses

The Pool will pay for **Privacy Response Expenses** incurred by the Named Member in connection with a **Privacy or Security Event** that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to **Personal Information**.

C. Regulatory Proceedings and Penalties

The Pool will pay for **Regulatory Penalties** the Covered Person becomes legally obligated to pay as a result of a **Regulatory Proceeding** resulting from a **Privacy or Security Event** if notice of the **Regulatory Proceeding** is received by the Covered Person prior to the end of the Coverage Period or any Extended Reporting Period provided under Section 7. The Pool will have the right and duty to defend the Covered Person against any **Regulatory Proceeding** to which this coverage applies. The Pool may at its discretion investigate any **Privacy or Security Event** and settle any **Claim** that may result.

D. PCI-DSS Assessments

The Pool will pay for **PCI-DSS Assessments** for which a Covered Person is liable if the **PCI-DSS Assessments** are due to noncompliance by the Covered Person with PCI Data Security Standards and the noncompliance resulted in a **Privacy or Security Event**.

E. Electronic Equipment and Electronic Data Damage

The Pool will pay for the Named Member's damage to, loss of use or destruction of electronic equipment caused by the reprogramming of the software (including the firmware) of such electronic equipment rendering it useless for its intended purpose, the reasonable and necessary expenses to determine whether **Electronic Data** can or

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cannot be restored, recollected, or recreated, and the reasonable and necessary expenses to restore, recreate or recollect **Electronic Data** for which a Covered Person incurs as a result of a **Privacy or Security Event**.

F. Network Interruption Costs

The Pool will pay for **Business Income Loss, Expenses to Reduce Loss, Extra Expenses** and **Proof of Loss Preparation Costs** which a Covered Person incurs after the **Waiting Hours Period** and solely as a result of a **Privacy or Security Event**.

G. Cyber Extortion Coverage

The Pool will pay for **Cyber Extortion Expenses** and **Cyber Extortion Monies** the Named Member pays as a direct result of a **Cyber Extortion Threat**.

2. **Deductible**

For each **Privacy or Security Event** and **Cyber Extortion Threat**, the Pool will pay only such amounts as are in excess of the deductible amount shown in the Declarations.

3. **Limits of Liability**

A. **In General**

The limits of liability shown in the Declarations establish the most the Pool will pay regardless of the number of **Privacy or Security Events, Cyber Extortion Threats, Covered Persons, Claims** made, **Suits** or **Regulatory Proceedings** brought or individuals or entities making **Claims** or bringing **Suits** or **Regulatory Proceedings**.

B. **Pool Aggregate Limit**

- i. All **Privacy or Security Event Liability and Expense** coverage is subject to a Pool Aggregate Limit of \$10,000,000 for each Coverage Period. The Pool Aggregate Limit is a shared limit among the Members (including all associated Covered Persons) and is the most the Pool will pay for all **Privacy or Security Event Liability and Expense**, including **Claim Expenses**, for all Members (including all associated Covered Persons) covered under any Coverage Period. **Claim Expenses** erode the Pool Aggregate Limit.
- ii. If the Pool Aggregate Limit is exceeded, the amount recoverable by any Member (including all associated Covered Persons) will be reduced pro rata in the same proportion that the loss of the Member (including all associated Covered Persons) bears to the total amount of loss of all Members (including all associated Covered Persons).

- iii. The Pool may pay claims for **Privacy and Security Event Liability and Expense** on a provisional basis until all liabilities and expenses for a particular Coverage Period are resolved, as determined by the Pool. If the Pool determines that the Pool Aggregate Limit may be exceeded, the Pool may delay claims payments until the Pool determines that all liabilities and expenses for a Coverage Period have been resolved.
- iv. Once all liabilities and expenses for a Coverage Period are resolved, the Pool will give notice to all Members with Claims of their pro rata share of covered losses. If a Member (including any associated Covered Persons) received claims payments in excess of its pro rata share, the Member will remit the excess amount to the Pool within thirty (30) days of the date on which the Pool gives notice. If a Member (including any associated Covered Persons) received claims payments that are less than its pro rata share, the Pool will remit the deficiency to the Member within thirty (30) days of the date on which the Pool receives the last payment due from Members who received claims payments in excess of their pro rata shares.
- v. For purposes of the Pool Aggregate Limit, “**Privacy or Security Event Liability and Expense**” means all amounts covered under Section 1. Determinations made by the Pool relating to the Pool Aggregate Limit will be made in the sole and absolute discretion of the Pool.

4. Notice to the Pool

- A. As a condition precedent to the obligations of the Pool under this coverage, the Covered Person must give written notice to the Pool of any **Claim** made against the Covered Person as soon as practicable, but in no event later than the end of the Coverage Period or any Extended Reporting Period provided under Section 7.
 - B. As a condition precedent to the obligations of the Pool under this coverage, the Covered Person must give written notice to the Pool of any **Privacy or Security Event or Cyber Extortion Threat** as soon as practicable and provide all such information relating to the **Privacy or Security Event or Cyber Extortion Threat** as the Pool may reasonably request.
 - C. If during the Coverage Period, any Covered Person becomes aware of a **Privacy or Security Event** that may reasonably be expected to give rise to a **Claim**, including a **Regulatory Proceeding or PCI-DSS Assessment**, against any Covered Person, the Covered Person must give written notice to the Pool of such **Privacy or Security Event** as soon as practicable, but in no event later than the end of the Coverage Period or any Extended Reporting Period provided under Section 7. Notice must include:
-

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- i. A specific description of the **Privacy or Security Event**, including all relevant dates;
- ii. The names of persons involved in the **Privacy or Security Event**, including names of potential claimants and a specific description of any **Personal Information** actually or reasonably suspected to have been subject to theft, loss or unauthorized access or disclosure;
- iii. The specific reasons for anticipating that a **Claim** may result from such **Privacy or Security Event**;
- iv. The specific nature of the alleged or potential damages arising from such **Privacy or Security Event**; and
- v. The specific circumstances by which the Covered Person first became aware of the **Privacy or Security Event**.

Any **Claim** subsequently made against any Covered Person arising out of such **Privacy or Security Event** shall be deemed to be a **Claim** made during the Coverage Period in which the **Privacy or Security Event** was first reported to the Pool.

5. Exclusions

This coverage does not apply to any **Claim, Suit, Regulatory Proceeding, damages, Regulatory Penalties, Claim Expenses, Privacy Response Expenses, PCI-DSS Assessments, Network Interruption Costs, Electronic Equipment and Electronic Data Damage, Cyber Extortion Expenses or Cyber Extortion Monies**:

- A. For, arising out of, or resulting from **Bodily Injury or Property Damage**;
- B. For, arising out of, or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written; provided, however, that this exclusion shall not apply:
 - i. To the extent the Covered Person would have been liable in the absence of such contract or agreement; or
 - ii. To amounts payable as **PCI-DSS Assessments**.
- C. For, arising out of, or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Sherman Anti-Trust Act, the Clayton Act, or the Robinson-Patman Act, as amended, or any other federal, state, local, foreign or common law rules or

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regulations involving antitrust, restraint of trade, unfair competition, or false or deceptive or misleading advertising;

- D. For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however, this exclusion does not apply to any **Claim** or loss covered hereunder that results from a theft, loss or unauthorized disclosure of or access to **Personal Information**;
- E. For, arising out of or resulting from:
- i. The actual or alleged unlawful collection or acquisition of **Personal Information** by or on behalf of the Covered Person; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (*i.e.*, opt-in or opt-out) from the collection, disclosure or use of **Personal Information**; or
 - ii. The distribution of unsolicited email, direct mail, or facsimiles, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping, recording or telemarketing is done by or on behalf of the Covered Person, including actual or alleged violations of:
 - (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - (3) Any federal, state or local statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003 and their amendments and additions, or any other legal liability, at common law or otherwise, that addresses, prohibits, or limits the dissemination, recording, sending, transmitting, communicating or distribution of material or information;
- F. For, arising out of or resulting from any of the following conduct by a Covered Person:
- i. Any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as the Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or law of any state, locality or foreign government, whether such law is statutory, regulatory or common law;
 - ii. Any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange
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Act of 1934, the Investment Act of 1940, any state blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws;

- iii. Any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, the Employee Retirement Security Act of 1974 or any similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws;
- iv. Any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy; or
- v. Any actual or alleged violation of the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair Credit Transactions Act (FACTA);

G. For, arising out of, or resulting from any of the following conduct by a Covered Person:

- 1. any criminal, dishonest, fraudulent, or malicious act or omission;
- 2. any intentional security breach; or
- 3. any intentional or knowing violation of the law;

provided, however, this exclusion shall not apply unless there is a final adjudication of such conduct, an admission of such conduct by the Covered Person, or in a criminal proceeding a plea of guilty, *nolo contendere*, no contest or any similar plea by the Covered Person;

H. Arising out of the actual or alleged transmission of a communicable disease. This applies even if the claims against any Covered Person allege negligence or other wrongdoing in the: Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease; testing for a communicable disease; failure to prevent the spread of the disease; or failure to report the disease to authorities;

I. For, arising out of or resulting from any actual or alleged:

- i. Infringement of patent or patent rights or misuse or abuse of patent;

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- ii. Infringement of copyright arising from or related to software code or software products; or
 - iii. Use or misappropriation of any ideas or trade secrets by a Covered Person or on behalf of, or in collusion with a Covered Person;
- J. Arising out of or resulting from any of the following:
- i. Trading losses, trading liabilities or change in value of accounts;
 - ii. Any loss of monies, securities or tangible property of others in the care, custody or control of the Covered Person;
 - iii. The monetary value of any electronic fund transfers or transactions by or on behalf of the Covered Person that is lost, diminished, or damaged during transfer from, to or between accounts; or
 - iv. The value of coupons, price discounts, prizes awards, or any other valuable consideration given in excess of the total contracted or expected amount that is lost, diminished or damaged.

6. Definitions

The following definitions apply to this coverage:

“**Bodily Injury**” means physical injury, sickness or disease sustained by any person, including death resulting from these at any time. **Bodily Injury** also means mental illness, mental anguish or emotional distress, pain or suffering or shock sustained by any person, whether or not resulting from physical injury, sickness, disease or death of any person.

“**Business Income Loss**” means the sum of the following incurred during the **Period of Indemnity**:

- a. Net profits that would have been earned but for the **Material Interruption** (after charges and expenses, but not including any capital receipts, outlays properly chargeable to capital, and deductions for taxes and profits); and
- b. Charges and expenses which necessarily continue (including ordinary payroll).

If there would have been no net profit, **Business Income Loss** means the charges and expenses which necessarily continue less any loss from business operations that would have been sustained had there been no **Material Interruption**.

“**Claim**” means any demand, **Suit** for damages, **Regulatory Proceeding** or **PCI-**

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DSS Assessment resulting from a **Privacy or Security Event**. All Claims because of a single **Privacy or Security Event** will be deemed to be a single Claim and to have been made at the time the first such Claim is made against any Covered Person, regardless of the number of individuals or entities making such Claims or the time period over which such Claims are made, even if subsequent Claims are made after the Coverage Period or any Extended Reporting Period provided under Section 7.

“**Claim Expenses**” means:

- a. Reasonable and necessary fees charged by attorneys designated by the Pool or designated by the Covered Person with the Pool’s prior consent to assist with the investigation, adjustment, negotiation, arbitration, defense or appeal of a **Claim**;
- b. All other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **Claim** and incurred by the Pool or by the Covered Person with the Pool’s prior consent; and
- c. Premiums on appeal bonds, attachment bonds or similar bonds; however, the Pool is not obligated to apply for or furnish any such bond;

Provided, however, **Claim Expenses** do not include:

- a. Any internal salary, administrative, overhead or other related expenses of any Covered Person or any charges by a Covered Person for time spent cooperating with the investigation and defense of any **Claim**;
- b. **Privacy Response Expenses**; or
- c. **PCI-DSS Assessments**.

“**Computer System**” means computers and associated input and output devices, data storage devices, networking equipment and backup facilities:

- a. Operated by and either owned by or leased to the Named Member; or
- b. Operated by a third-party service provider and used to provide hosted computer application services to the Named Member or for processing, maintaining, hosting or storing the Named Member’s **Electronic Data** pursuant to a written contract with the Named Member for such services.

“**Cyber Extortion Expenses**” means all reasonable and necessary costs and expenses which a Covered Person incurs as a direct result of a **Cyber Extortion Threat**, other than **Cyber Extortion Monies**.

“Cyber Extortion Monies” means any funds, including any cryptocurrency, which the Named Member pays, with the prior written consent of the Pool, for the purpose of terminating the **Cyber Extortion Threat**.

“Cyber Extortion Threat” means a credible threat or series of related credible threats, including, but not limited to, a demand for **Cyber Extortion Monies**, directed at a Covered Person to:

1. Release, divulge, disseminate, destroy or use confidential information taken from the Covered Person as a result of a **Privacy or Security Event**;
2. Introduce malicious code into a **Computer System**;
3. Corrupt, damage or destroy a **Computer System**;
4. Restrict or hinder access to a **Computer System**;

“Electronic Data” means any data stored electronically on a **Computer System**, including without limitation **Personal Information**.

“Electronic Equipment and Electronic Data Damage” means amounts payable by the Pool under Section 1.E.

“Expenses to Reduce Loss” means expenses incurred by the Named Member during the **Period of Indemnity**, over and above normal operating expenses, for the purpose of reducing **Business Income Loss** or shortening the **Period of Indemnity**.

“Extra Expenses” means expenses incurred by the Named Member during the **Period of Indemnity**, other than **Expenses to Reduce Loss**, that would not have been incurred but for a **Material Interruption**.

“Material Interruption” means the actual and measurable interruption or suspension of a Covered Person’s business directly caused by a **Privacy or Security Event**.

“Network Interruption Costs” means amounts payable by the Pool under Section 1.F.

“PCI-DSS Assessment” means any monetary penalty owed by a Covered Person due to the Covered Person’s noncompliance with Payment Card Industry Data Security Standards under an agreement between the Covered Person and a financial institution or other person enabling the Covered Person to accept credit cards, debit cards, prepaid cards, or other payment cards.

“Period of Indemnity” means the period of time beginning after the **Waiting Hours Period** and ending at the earlier of:

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- a. In the case of a **Computer System** operated by and either owned by or leased to the Named Member, the time the Named Member restores the **Computer System** to the same or similar conditions that existed prior to the time of the **Material Interruption** (or could have restored access to the **Computer System** if the Named Member exercised due diligence and dispatch); or
- b. In the case of a **Computer System** operated by a third party service provider, the time the service provider restores the **Computer System** to the same or similar conditions that existed prior to the time of the **Material Interruption** (or could have restored access to the **Computer System** if the service provider exercised due diligence and dispatch).

The **Period of Indemnity** shall not be cut short by the end of the Coverage Period.

“**Personal Information**” means an individual’s name in combination with one or more of the following:

- a. Information concerning the individual that constitutes “nonpublic personal information” as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;
- b. Medical or health care information concerning the individual, including without limitation “protected health information” as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;
- c. The individual’s Social Security number, driver’s license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allow access to the individual’s financial account information; or
- d. Other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law;

Provided, however, **Personal Information** does not include information that is lawfully available to the public, including without limitation information lawfully available from any Covered Person or any local, state, federal or foreign governmental entity.

“**Privacy or Security Event**” means:

- a. The actual or reasonably suspected theft, loss or unauthorized disclosure of or access to **Personal Information** in the care, custody or control of the Named Member or for

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which the Named Member is legally responsible, regardless of whether such **Personal Information** is maintained in electronic, paper or any other format; or

- b. A violation or failure of the security of a **Computer System**, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

Any **Privacy or Security Event** that is continuous or part of a series of repeated or related **Privacy or Security Events** will be considered to be a single **Privacy or Security Event** and will be considered to have commenced when the first such **Privacy or Security Event** commenced regardless of:

- a. The number of individuals or entities engaged in such **Privacy or Security Events**;
- b. The number of individuals or entities affected by such **Privacy or Security Events**;
- c. The number of locations where such **Privacy or Security Events** occurred; or
- d. The number of such **Privacy or Security Events** occurring or period of time over which they occur, even if subsequent **Privacy or Security Events** take place after the Coverage Period.

“**Privacy Response Expenses**” means the following reasonable and necessary costs incurred by the Named Member within one year of the discovery of a **Privacy or Security Event** that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to electronic **Personal Information** in the care, custody or control of the Named Member or for which the Named Member is legally responsible:

- a. For the services of a security expert designated by the Pool to determine the scope and cause of a **Privacy or Security Event** and the extent to which **Personal Information** was disclosed to or accessed by unauthorized persons;
- b. For the services of consultants or attorneys designated by the Pool to determine the Named Member’s obligations, if any, under applicable law to give notice to affected individuals;
- c. To notify affected individuals if required by applicable law or if the Named Member voluntarily elects to give such notice, and for the services of a contractor designated by the Pool to assist with providing such notice and responding to questions and concerns raised by individuals who are notified;
- d. For the services of a contractor designated by the Pool to provide identity theft protection services to affected individuals if the Named Member elects to provide such services; and

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- e. For the services of a public relations consultant designated by the Pool to avert or mitigate damage to the Named Member's reputation as a result of the **Privacy or Security Event**;

Provided, however, **Privacy Response Expenses** do not include:

- a. Any internal salary, administrative, overhead or other related expenses of any Covered Person or any charges by a Covered Person for time spent cooperating with the investigation and response to any **Privacy or Security Event**;
- b. **Claim Expenses**;
- c. **PCI-DSS Assessments**;
- d. **Electronic Equipment and Electronic Data Damage**;
- e. **Network Interruption Costs**;
- f. **Cyber Extortion Expenses**; or
- g. **Cyber Extortion Monies**.

"Proof of Loss Preparation Costs" means fees and expenses incurred by a Named Member for the services of a third-party forensic accounting firm to establish and prove the amount of loss, including those costs in connection with preparing a proof of loss. **Proof of Loss Preparation Costs** does not include any fees or expenses for consultation on coverage or negotiation of claims.

"Property Damage" means damage to, loss of use of, or destruction of any tangible property; however, **Property Damage** does not include the loss of use or damage of electronic equipment caused by the reprogramming of the software (including the firmware) of such electronic equipment rendering it useless for its intended purpose. For purposes of this definition, "tangible property" shall not include **Electronic Data**.

"Regulatory Penalties" means any civil fine or civil monetary penalty imposed in a **Regulatory Proceeding** payable by a Covered Person to the governmental entity bringing the **Regulatory Proceeding** and any sum of money that a Covered Person is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding**.

"Regulatory Proceeding" means a request for information, civil investigative demand, **Suit**, civil investigation or civil proceeding commenced by or on behalf any local, state, federal or foreign governmental entity in the entity's regulatory or official capacity.

“**Suit**” means a civil proceeding arising out of a **Privacy or Security Event** and includes an arbitration proceeding or other alternative dispute resolution proceeding to which the Covered Person must submit or does submit with the consent of the Pool.

“**Waiting Hours Period**” means the number of hours set forth in the Declarations that must elapse once a **Material Interruption** has begun.

7. **Extended Reporting Periods**

A. **Applicability**

This section applies solely to the coverage provided under Section 1, but no Automatic or Optional Extended Reporting Period will be provided if the Pool (i) cancels such coverage for non-payment of premium, (ii) cancels or rescinds such coverage for material misrepresentation or fraud or (iii) cancels or rescinds such coverage for violation by the Named Member of the charter, bylaws or other rules governing the conduct of members of the Pool.

B. **Automatic Extended Reporting Period**

- i. Subject to Section 7.A, if the Named Member or the Pool cancels or nonrenews the coverage provided under Section 1, the Named Member will have the right to an Automatic Extended Reporting Period of sixty (60) days, which will commence on the effective date of such cancellation or nonrenewal. During the Automatic Extended Reporting Period, a Covered Person may give notice to the Pool of any **Privacy or Security Event** that commenced on or after the Retroactive Date, if any, shown in the Declarations and before the effective date of the cancellation or nonrenewal and for which a **Claim** was first made against the Covered Person during the Coverage Period or the Automatic Extended Reporting Period. Such notice must be given in accordance with Section 4.
- ii. The Automatic Extended Reporting Period will not apply where an Optional Extended Reporting Period has been purchased or to **Claims** that are covered under any subsequent insurance a Covered Person purchases or that is purchased for a Covered Person’s benefit, or that would be covered by any such subsequent insurance but for the exhaustion of the amount of insurance applicable to the **Claims** or any applicable retention amount.

C. **Optional Extended Reporting Period**

- i. Subject to Section 7.A, if the Named Member or the Pool cancels or nonrenews the coverage provided under Section 1, the Named Member will have the right to purchase an Optional Extended Reporting Period of up to three (3) years, which

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will commence on the effective date of such cancellation or nonrenewal. During the Optional Extended Reporting Period, a Covered Person may give notice to the Pool of any **Privacy or Security Event** that commenced on or after the Retroactive Date, if any, shown in the Declarations and before the effective date of the cancellation or nonrenewal and for which a **Claim** was first made against the Covered Person during the Coverage Period or the Optional Extended Reporting Period. Such notice must be given in accordance with Section 4.

- ii. The Named Member may purchase an Optional Extended Reporting Period for payment of an additional premium amount of one hundred percent (100%) of the full annual premium, for a period of one (1) year. Premium will be determined by the Pool for any period longer than one (1) year, but not to exceed three (3) years.

As used herein, "full annual premium" means the annual premium amount charged for the coverage provided in Section 1 plus any premium charged for additional coverage added by endorsement to the coverage provided in Section 1.

- iii. The right to purchase an Optional Extended Reporting Period will terminate unless written notice of election, together with any additional premium due, is received by the Pool no later than thirty (30) days after the effective date of the cancellation or nonrenewal of the coverage provided in Section 1.

D. Conditions Applicable to Extended Reporting Periods

- i. Once in effect, the Automatic or Optional Extended Reporting Period cannot be canceled or rescinded, except by the Pool for material misrepresentation, fraud or violation by the Named Member of the charter, bylaws or other rules governing the conduct of members of the Pool. Any premium charged for an Optional Extended Reporting Period will be fully earned and nonrefundable at inception of the Optional Extended Reporting Period.
- ii. The Automatic or Optional Extended Reporting Period does not reinstate or increase the limits of liability described in Section 3.

**PATHOGEN, VIRUS, BACTERIA OR OTHER MICROORGANISM
ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

This endorsement modifies insurance provided under the following coverage document(s):

ALL KALF POLICY FORMS AND ENDORSEMENTS

This contract does not provide coverage for any loss, cost, damage, claim, demand or expense of any nature whatsoever, directly or indirectly arising out of, attributable to or occurring concurrently or in any sequence with any actual, alleged or threat of a Communicable Disease.

As used herein, Communicable Disease means any infectious or contagious substance:

1. including, not limited to, a virus, bacterium, parasite or other organism or any mutation thereof, whether deemed living or not; and
2. regardless of the method of transmission, whether direct or indirect, including, but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal, that can cause or threaten damage to human health or human welfare.

This exclusion applies even if the claims against the **insured** allege negligence or other wrongdoing arising from or relating to action taken or failure to act in controlling, preventing, suppressing or in any way relating to a Communicable Disease. This includes, but is not limited to, allegations of negligence or other wrongdoing in connection with (a) the hiring, employing, supervising, training, testing, or monitoring of persons that may be infected with and spread a communicable disease, (b) testing for a Communicable Disease, (c) failure to prevent the spread of a Communicable Disease, or (d) failure to report a Communicable Disease to authorities.

For avoidance of doubt, this exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion or other coverage grant.

This endorsement does not imply that other provisions of the Agreement do not also exclude coverage for liability, loss, damage, injury, cost, or expense excluded by this endorsement.