

ACTIVE ASSAILANT COVERAGE

This Endorsement modifies the Governmental Property Agreement and any endorsements thereto with respect to Section II (1) and (4) and modifies the Legal Defense and Claim Payment Agreement and any endorsements thereto with respect to Section II (3) for this coverage only.

I. DEFINITIONS

The following Modified and Additional Definitions apply only to this Endorsement:

1. **Active Assailant** means a person or group of persons actively engaged in killing or attempting to cause serious **Bodily Injury** to one (1) or more person(s) by means of the use of a vehicle, explosive device or any **Handheld Weapon**.
2. **Active Assailant Event** means a premeditated attack by an **Active Assailant** located at a **Covered Location** causing property damage and / or **Bodily Injury** to one or more person(s), excluding the **Active Assailant**, at or within six hundred fifty (650) feet of a **Covered Location**.
3. **Actual Cash Value** means the amount it would cost to repair or replace covered property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.
4. **Actual Loss** means **Your** verified costs and / or expenses arising out of the **Active Assailant Event** or **Hostage Event** calculated as per the wording.
5. **Aggregate Limit of Liability** means the total combined limit of liability for the **Endorsement Period**. The aggregate amount includes amounts payable under all SECTIONS of this Endorsement, including any sub-limits and all other amount(s) payable under any endorsement to this Endorsement.
6. **Bodily Injury** means any physical injury to a person including death, sickness, disease, or disability and all mental injury, anguish or shock to such person(s) resulting from such physical injury.
7. **Claim** means a written demand received by the **Named Member** from a third party for **Damages** covered by this Endorsement.
8. **Claim Expenses** means all reasonable and necessary fees, costs and expenses incurred with the written consent of the **Pool**, resulting from the investigation, adjustment, appraisal, defense or appeal of a **Claim**, suit or proceeding relating to a **Claim**. **Claim Expenses** do not include the salaries, expenses, overheads or other charges by the **Named Member** for any time spent in cooperating in the defense, settlement and investigation of any **Claim**.
9. **Counselling Costs** means costs incurred for the provision of care by psychiatrists, social workers or counsellors, except where otherwise provided under any workers' compensation, employers' liability, unemployment compensation or disability laws, statutes or regulations.
10. **Covered Location**:
 - a. If the **Named Member** has coverage from the **Pool** under the Governmental Property Agreement at the time of an **Active Assailant Event** or a **Hostage Event**, **Covered**

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Location means any real property specified on the Schedule attached to the Governmental Property Agreement, for which coverage is provided under this Endorsement.

- b. If the **Named Member** does not have coverage from the **Pool** under the Governmental Property Agreement at the time of an **Active Assailant Event** or a **Hostage Event**, **Covered Location** means any real property in which the **Named Member** has an insurable interest, for which coverage is provided under this Endorsement.
11. **Damages** means a monetary judgment, monetary award made by a competent court or a monetary settlement. **Damages** shall not include punitive or exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.
12. **Employee** means any person who is:
- a. Under a contract of service or apprenticeship with the **Named Member**, or
 - b. Supplied to or hired or borrowed by the **Named Member**, or
 - c. Under any work experience or similar scheme with the **Named Member**
- while employed by the **Named Member** or engaged by and under the control of the **Named Member** in connection with the **Named Member's** business.
13. **Endorsement Period** means the period of time during which this Endorsement is in force, as shown in the Declarations.
14. **Gross Earnings** means:
- 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 **Named Member**.
- Any amount recovered under property damage coverage at selling price for loss or damage to merchandise will be considered to have been sold to the **Named Member's** regular customers and will be credited against net sales.
15. **Funeral Expenses** means the costs incurred for the professional services required for the arrangement of a funeral, including the supervision of all the arrangements preceding, during and following the service.
16. **Handheld Weapon** means any instrument in the possession of an **Active Assailant** or **Hostage Taker** that could be used to harm, maim or kill, including acid(s).
17. **Hostage Taker** means a person or group of persons, in possession of an explosive device or any **Handheld Weapon**, holding one (1) or more persons under duress at a **Covered Location** for a period in excess of one (1) hour.
18. **Hostage Event** means a premeditated incident by a **Hostage Taker** located at a **Covered Location** which involves one (1) or more person(s) within a **Covered Location** and which lasts for one (1) or more consecutive hour(s).

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19. **Named Member** means the entity named in the Declarations that will be indemnified in the event of a loss under this Endorsement.
20. **Occurrence:** The duration and extent of an **Active Assailant Event** or a **Hostage Event** shall be limited to all losses sustained by **You** during any period of seventy-two (72) consecutive hours arising out of the same purpose or cause. However, no such period of seventy-two (72) consecutive hours may extend beyond the expiration of this Endorsement unless there is direct physical loss or direct physical damage or **Bodily Injury** at or within six hundred fifty (650) feet of a **Covered Location** as a result of an **Active Assailant Event** or unless the **Hostage Event** commences prior to expiration and within said period of seventy-two (72) consecutive hours, nor shall any period of seventy-two (72) consecutive hours commence prior to the attachment of this Endorsement.

An **Active Assailant Event** or a **Hostage Event** carried out by the same person or group of persons in any one period of seventy-two (72) consecutive hours will be deemed to be one **occurrence**.

21. **Ordinary Payroll** means the entire payroll expense for all of **Your Employees**.
22. **Period of Liability:**

The **Period of Liability** applying to all time element coverages is as follows:

- a. For buildings and equipment, the period:
1. Starting from the time of physical loss or damage ; and
 2. Ending when, with due diligence and dispatch, the building and equipment could be:
 - (a) Repaired or replaced; and
 - (b) Made ready for operations.

Under the same or equivalent physical and operation conditions that existed prior to the damage.

- (c) Shall not be limited by the expiration of this Endorsement.
- b. For physically damaged exposed films, 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.
- c. For **Bodily Injury**, the time required by the order of the authorities to remove the injured or dead from a **Covered Location** and conduct investigations required as a result of an **Active Assailant Event** or a **Hostage Event**.
23. **Pool** means PUBLIC ENTITIES POOL OF OHIO, an unincorporated association of its members.
24. **Sentinel Program** means a policy adopted by **You** which allows **Employee(s)** to carry firearms at their **Covered Location(s)** for the purpose of rapidly responding to an **Active Assailant Event** or **Hostage Event** at a **covered location**. Law enforcement officers employed by a **Named Member** are not considered **Employees** under a **Sentinel Program** under this Endorsement.

25. *You* and *Your* refer to the *Named Member*.

II. COVERAGE

Some of the words used in this Endorsement have a special meaning. If a word is in ***bold italicized*** type, please read the definitions section of this Endorsement.

Coverage by this Endorsement is limited to a maximum of USD \$250,000 per *Named Member* per ***Active Assailant Event*** or ***Hostage Event***, subject to an annual aggregate of USD \$250,000 per *Named Member*.

SECTION 1: PROPERTY DAMAGE

The *Pool* will indemnify *You* for physical loss or physical damage to real and personal property resulting from an ***Active Assailant Event*** or a ***Hostage Event***, in which *You* have an insurable interest, at a ***Covered Location***, occurring during the ***Endorsement Period*** and directly caused by the actions of an ***Active Assailant*** during an ***Active Assailant Event*** or a ***Hostage Taker*** during a ***Hostage Event***.

Property damage coverage by this Endorsement is limited to a maximum of USD \$250,000 per *Named Member* per ***Active Assailant Event*** or ***Hostage Event***.

SECTION 2: TIME ELEMENT

This Endorsement covers time element losses directly resulting, during the ***Period of Liability***, from:

1. Physical loss or physical damage, as covered in **SECTION II(1): PROPERTY DAMAGE**, above; and/or
2. ***Bodily Injury*** to one (1) or more person(s) solely and directly caused by an ***Active Assailant*** during an ***Active Assailant Event*** occurring during the ***Endorsement Period*** and at or within six hundred fifty (650) feet of a ***Covered Location***; and/or
3. A ***Hostage Event***, occurring during the ***Endorsement Period*** and at a ***Covered Location***; and/or
4. Denial of access to a ***Covered Location*** as a result of an order by a civil or military authority due to an ***Active Assailant Event*** or a ***Hostage Event*** occurring during the ***Endorsement Period*** and within one thousand five hundred (1,500) feet of a ***Covered Location***.

Time element coverage by this Endorsement is limited to a maximum of USD \$250,000 per *Named Member* per ***Active Assailant Event*** or ***Hostage Event***.

Gross Earnings

Measurement of loss:

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1. The recoverable **Gross Earnings** loss is the **Actual Loss** sustained by **You** during the **Period of Liability** and is calculated as follows:
 - (a) **Gross Earnings**;
 - (b) less all charges and expenses that do not continue during the interruption of production or suspension of business operations or services;
 - (c) plus all other earnings derived from the operation of the business.
2. In determining the indemnity payable as the **Actual Loss** sustained, the **Pool** will consider the continuation of only those normal charges and expenses (including up to thirty (30) days **Ordinary Payroll**) that would have been earned had no interruption of production or suspension of business operations or services occurred.
3. There is recovery hereunder but only to the extent that the **Named Member** is:
 - (a) wholly or partially prevented from producing goods or continuing business operations or services;
 - (b) unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
 - (c) unable to continue such operations or services during the **Period of Liability**; and
 - (d) able to demonstrate a loss of sales for the operations, services or production prevented.

Extra Expense

Measurement of loss:

The recoverable extra expense loss will be the reasonable and necessary extra costs incurred by **You** of the following during the **Period of Liability**:

1. Extra expenses to temporarily continue nearly as normal as practicable the conduct of **Your** business; and
2. Extra costs of temporarily using property or facilities of **You** or others, less any value remaining at the end of the **Period of Liability** for property obtained in connection with the above.

The term normal means the condition that would have existed had no:

- (a) Physical loss or physical damage occurred; or
- (b) **Bodily Injury** occurred.

Extended Period of Liability

The **Gross Earnings** coverage is extended to cover the reduction in sales resulting from:

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1. The interruption of business as covered by Gross Earnings;
2. For such additional length of time as would be required with the exercise of due diligence and dispatch to restore **Your** business to the condition that would have existed had no loss occurred; and
3. Commencing with the date on which the liability of the **Pool** for loss resulting from interruption to business would terminate if this extension had not been included herein.

Coverage under this extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the **Extended Period of Liability**.

Coverage under this extension does not apply for more than 90 consecutive days.

SECTION 3: THIRD-PARTY LIABILITY

Subject to the terms and conditions of this Endorsement, the coverage provided under **SECTION II(3): THIRD-PARTY LIABILITY** of this Endorsement only covers **Claims** arising from an **Active Assailant Event** or a **Hostage Event** occurring during the **Endorsement Period** and reported to the **Pool** during the **Endorsement Period** in writing as soon as reasonably possible and in no event later than ninety (90) days after the expiration of this Endorsement.

Third-party liability coverage by this Endorsement is limited to a maximum of USD \$250,000 per **Named Member** per **Active Assailant Event** or **Hostage Event** per Year.

The sub-limit applicable to **SECTION 3: THIRD-PARTY LIABILITY** of this Endorsement will be eroded by any valid **Damages** and **Claim Expenses** associated with any **Claim(s)**.

Coverage:

The **Pool** will pay on **Your** behalf any **Damages** and/ or **Claim Expenses** **You** are found legally liable to pay because of any **Claim(s)** for third-party **Bodily Injury** and/ or property damage directly caused by an **Active Assailant Event** or a **Hostage Event** that occurs at a **Covered Location** during the **Endorsement Period**.

The **Pool** shall have the right but not the duty to defend:

1. Any **Claim** against the **You** which seeks **Damages**, even if any of the allegations of the **Claim** are groundless, false or fraudulent; or
2. Any **Claim** in the form of a regulatory proceeding.

Defense counsel shall be mutually agreed upon between **You** and the **Pool**. In the absence of such agreement, the **Pool's** decision shall be final.

The **Pool** will pay any **Claim Expenses** incurred provided the prior written consent of the **Pool** is obtained before those **Claim Expenses** are incurred. The limit of liability available to pay **Damages** under **SECTION 3: THIRD-PARTY LIABILITY** of this Endorsement shall be reduced and may be completely exhausted by the payment of **Claim Expenses**.

If **You** refuse to consent to any settlement or compromise recommended by the **Pool** and acceptable to the claimant and elect to contest the **Claim**, the **Pool's** liability for any **Damages**, penalties and/ or **Claim Expenses** shall not exceed the amount for which the **Claim** could have been settled, less the deductible stated in this Endorsement, plus the **Claim Expenses** incurred up to the time of such refusal or the applicable limit of liability, whichever is less, and the **Pool** shall have the right to withdraw from the further defense thereof by tendering control of said defense to **You**.

SECTION 4: ANCILLARY SUPPORT

This Endorsement provides coverage for the following additional expenses:

1. Medical and Dental Expenses

Medical and dental expenses (other than counselling and/or psychiatric care costs) to mitigate the adverse effects of **Bodily Injury** sustained as a result of an **Active Assailant Event** or a **Hostage Event** for any **Employee**, patron, student and/or patient of **Yours** physically present at or within six hundred fifty (650) feet of a **Covered Location**, except where otherwise provided under any workers' compensation, employers' liability, unemployment compensation or disability laws, statutes or regulations.

Medical and dental expenses are limited to a maximum of USD \$20,000 per person and applicable only to such costs incurred within thirty (30) days of an **Active Assailant Event** or a **Hostage Event**.

2. Counselling Costs

Counselling Costs to mitigate the adverse effects of an **Active Assailant Event** or a **Hostage Event** for any **Employee**, patron, student and/or patient of **Yours** physically present at or within six hundred fifty (650) feet of a **Covered Location**, except where otherwise provided under any workers' compensation, employers' liability, unemployment compensation or disability laws, statutes or regulations.

Counselling Costs are limited to a maximum of USD \$10,000 per person for those physically present at a **Covered Location** and physically injured as a result of an **Active Assailant Event** or a **Hostage Event** and USD 5,000 per person for those physically present at a **Covered Location** but not physically injured as a result of an **Active Assailant Event** or a **Hostage Event**.

Counselling Costs must be incurred within twenty four (24) months of an **Active Assailant Event** or a **Hostage Event**.

3. Funeral Costs

Funeral Costs for persons killed as a result of an **Active Assailant Event** or a **Hostage Event**.

Funeral Costs are limited to a maximum of USD \$10,000 per person and USD \$150,000 in the aggregate per **Active Assailant Event** or **Hostage Event**.

4. Crisis Management Service

Costs for a crisis management consultant retained by the **Pool** to assist the **Named Member** in responding to and managing the situation after an **Active Assailant Event** or a **Hostage Event** at or within six hundred fifty (650) feet of a **Covered Location**.

Crisis management costs are limited to a maximum of USD \$100,000 per **Active Assailant Event** or **Hostage Event** and must be incurred within twelve (12) months of an **Active Assailant Event** or a **Hostage Event**.

5. Employee Retraining Costs

Job retraining costs for **Employees** physically present and physically injured as a result of an **Active Assailant Event** or a **Hostage Event** at or within six hundred fifty (650) feet of a **Covered Location**.

Job retraining costs are limited to a maximum of USD \$10,000 per person and applicable only to such costs incurred within one hundred twenty (120) days of an **Active Assailant Event** or a **Hostage Event**.

6. Replacement Employee Recruitment Costs

Recruitment costs to replace **Employees** physically present and physically injured as a result of an **Active Assailant Event** or a **Hostage Event** at or within six hundred fifty (650) feet of a **Covered Location** and consequentially unable to continue working as a result of their injuries.

Recruitment costs are limited to a maximum of USD \$250,000 per **Active Assailant Event** or **Hostage Event** and are applicable only to such costs incurred within one hundred twenty (120) days of an **Active Assailant Event** or a **Hostage Event**.

7. Other Expenses

Any other costs incurred with prior written consent of the **Pool** to mitigate the adverse effects of an **Active Assailant Event** or a **Hostage Event** at a **Covered Location**.

III. GENERAL EXCLUSIONS

The **Pool** will not indemnify the **Named Member** for the following losses occurring during the **Endorsement Period**:

A. Exclusions

1. Loss, damage, increased cost, **Bodily Injury, Damages** or **Claim Expenses**:

- (a) occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising; or
- (b) as a result of threat or hoax; or
- (c) caused by or arising out of burglary, house – breaking, looting, theft, armed robbery and / or larceny; or
- (d) caused by or arising out of domestic violence; or
- (e) caused by or arising out of road rage; or

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- (f) caused by or arising out of gang related crime and/ or organized crime; or
 - (g) caused by or arising out of arson; or
 - (h) caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion; or
 - (i) caused by or arising out of electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses (which would otherwise be covered under this Endorsement) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile; or
 - (j) arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused; or
 - (k) directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment; or
 - (l) arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind; or
 - (m) arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind; or
 - (n) occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property covered hereunder; or
 - (o) caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service; or
 - (p) directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
2. Any sexual misconduct, including without limitation, any physical acts, gestures, spoken or written words of a sexual nature, sexual molestation, sexual assault, sexual battery, sexual abuse, sexual harassment, or sexual exploitation.
 3. Medical and dental expenses, **Counselling Costs**, or **Funeral Expenses** for an **Active Assailant** or a **Hostage Taker**.
 4. Any **Damages** or **Claim Expenses** arising out of **Claim(s)** for mental injury, anguish or shock where no **Bodily Injury** has occurred, except as covered under **SECTION II(4): ANCILLARY SUPPORT** of this Endorsement in the form of **Counselling Costs**.
 5. Any **Damages** or **Claim Expenses** the **Named Member** is found legally liable to pay because of any **Claim(s)** for third-party **Bodily Injury** and / or property damage caused by an **Employee**

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enrolled in a **Sentinel Program**.

6. Any cash and / or marketable securities, goods or services provided by way of ransom or other response to extortion or hostage demands.
7. Any punitive or exemplary **Damages**, sanctions or any additional damages resulting from the multiplication of compensatory damages which is incurred by the **Named Member** or which is imposed by any court, government agency, public or civil authority or any other person.
8. Any **Damages** or **Claim Expenses**, including but not limited to, medical and dental expenses, **Counselling Costs** or **Funeral Expenses**, arising under employers' liability, workers' compensation, unemployment compensation, social security or disability laws, statute or regulations.
9. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working except as specifically provided by this Endorsement.
10. Any refunds or compensation or any costs relating to event rescheduling or relocation.
11. Any time element loss caused by an **Active Assailant Event** or a **Hostage Event** at a facility supplying gas, electric, water or telephone facilities to a **Covered Location** unless caused by an event within six hundred fifty (650) feet of a **Covered Location**.
12. Any loss, **Damages** or **Claim Expenses** arising out of loss of market or loss of attraction.
13. Any increase in loss due to fines or damages for breach of contract or for late or non-completion of orders, or penalties of any nature.
14. 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:
 - (a) Planned or rescheduled shutdown
 - (b) Strikes or other work stoppage.
15. Any increase in loss due to:
 - (a) Suspension, cancellation or lapse of any lease, contract, license or orders
 - (b) For penalties of any nature.

B. Property Coverage

Property covered shall not include:

1. Land or land values
2. Power transmission, feeder lines or pipelines not located at a **Covered Location**
3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty (30) days, unless the property is intended to be unoccupied in its normal operations

4. Aircraft or any other aerial device, or watercraft
5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared to the **Pool** and is located at a **Covered Location** at the time of its damage
6. Electronic data
7. Animals, plants or living things of all types
8. Property in transit and not located at a **Covered Location**
9. Any property not owned by **You**, or in which **You** do not have an insurable interest, except as covered under **SECTION II(3): THIRD-PARTY LIABILITY** of this Endorsement.

IV. CONDITIONS

General conditions applicable to this Endorsement:

1. Abandonment

There shall be no abandonment of any property to the **Pool**.

2. Assignment

Assignment or transfer of this Endorsement or any claim hereunder shall not be valid except with the prior written consent of the **Pool**.

3. Burden of Proof

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

4. Cancellation

This Endorsement may be cancelled at any time at the request of the **Named Member** by giving written notice to the **Pool** stating when such cancellation will take effect. Return of any unearned contribution will be calculated on a pro rata basis.

In the event of non-payment of contribution, this Endorsement may be cancelled by or on behalf of the **Pool** by delivery to the **Named Member** or by mailing to the **Named Member** by registered, certified, or other first class mail, at the **Named Member's** address as shown on the Declarations, written notice stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Endorsement shall terminate at the date and hour specified in such notice.

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

5. Requirements in Case of Loss

The **Named Member** will:

- (a) Give immediate written notice to the **Pool** of any **Active Assailant Event** or **Hostage Event** likely to give rise to a claim hereunder.
- (b) The **Named Member** shall render a signed and sworn proof of loss within sixty (60) days after the **Active Assailant Event** or **Hostage Event** (unless such period be extended by the written agreement of the **Pool**) stating the time, place and cause of loss, with the exception of losses under **SECTION 3: THIRD-PARTY LIABILITY** of this Endorsement under which the **Named Member** shall render a signed and sworn proof of loss as soon as reasonably possible and in no event later than ninety (90) days of the expiration of the Endorsement.
- (c) Cooperate fully in the investigation or adjustment of any claim.
- (d) Take all reasonable steps to mitigate its losses, such as by using alternative premises if possible and/or resuming normal business operations as soon as possible.

If the **Pool** has not received such proof of loss within two (2) years of the expiration date of this Endorsement, the **Pool** shall be discharged from all liability hereunder.

6. Arbitration

If the **Named Member** and the **Pool** fail to agree in whole or in part regarding any aspect of this Endorsement, each party shall, within ten (10) days after a demand in writing by either party, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which the **Named Member** and the **Pool** shall so fail to agree and shall make an award thereon, and if they fail to agree, they will submit to their differences to the umpire and the award in writing of any two, duly verified, shall determine the same. The arbitration shall be run in accordance with the Rules of Arbitration of the International Chamber of Commerce.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

7. Due Diligence

The **Named Member** (or any of the **Named Member's** agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the covered property, to avoid or diminish any loss herein covered and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

The **Named Member** agrees to pursue any available recovery under any government compensation plan or other similar scheme for the benefit of the **Pool**. The **Named Member** shall allow the **Pool** and their representatives access to all necessary information, documentation and accounting data in respect of any such recovery.

8. Expert Fees

This Endorsement includes, within the **Aggregate Limit of Member**, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the covered property following damage insured under this Endorsement.

9. False or Fraudulent Claims

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

10. Incorrect Declaration Penalty

If the declared values as stated in the schedule are less than the correct values as determined in the Valuation condition, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the **Named Member** shall co-cover the balance.

11. Inspection and Audit

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

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

The **Pool** may examine and audit the **Named Member's** books and records at any time up to two (2) years after the final termination of this **Named Member**, as far as they relate to the subject matter of this Endorsement.

12. Legal Action Against The Pool

No one may bring a legal action against the **Pool** unless:

- (a) There has been full compliance by the **Named Member** with all of the terms of this Endorsement;
and
- (b) The action is brought within two (2) years after the expiration or cancellation of this Endorsement.

13. Limits of Liability and Excess

The **Pool** shall not be liable under this Endorsement for more than the **Aggregate Limit of Liability** as stated in this Endorsement during the **Endorsement Period**. Nor shall the **Pool** be liable under this Endorsement for more than any of the sub-limits stated in this Endorsement for the coverage provided under each section in respect of any one **Occurrence**.

Any payment by the **Pool** is subject to the Deductible and Waiting Period as stated in this Endorsement. During the waiting period, the **Pool** will not be liable to make any payment which they would otherwise be required to make under the provisions of this Endorsement.

14. Material Changes

The **Named Member** shall notify the **Pool** of any change of circumstances which would materially affect this Endorsement.

15. Misrepresentation

If the **Named Member** has concealed or misrepresented any material fact or circumstance relating to this coverage, this Endorsement shall become void. If the **Named Member** is unsure what constitutes material fact(s) or circumstance(s), they should consult their broker or agent.

16. Multiple Named Members

Where there are multiple **Named Members**, the **Pool's** total liability for any loss, damage, cost or expense of any nature sustained by any one or more of the **Named Members** under this Endorsement will not exceed the **Aggregate Limit of Liability** shown in the Declarations.

17. Primary Coverage

This Endorsement is primary without right of contribution from any other coverage which is carried by the **Named Member**. The amount of the **Pool's** liability shall not be reduced by the existence of other coverage or insurance of the same risk. The **Pool** waives any claim for average or contribution in respect of any other Insurer of the covered risks covered hereunder.

This does not apply to any workers compensation or other form of wage replacement and/or medical benefit insurance or coverage.

18. Protection Maintenance

It is agreed that any protection provided for the safety of the property covered shall be maintained in good order throughout the currency of this Endorsement and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the **Pool** without its consent. Failure to comply with this shall render the Endorsement void until the protection has been reinstated.

19. Rights of Third Parties Exclusion

This Endorsement is effected solely between the **Named Member** and the **Pool**.

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

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

20. Salvage

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

21. Sanctions

The **Pool** shall not be deemed to provide coverage and the **Pool** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose the **Pool** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

22. Situation

- a. If the **Named Member** has coverage from the **Pool** under the Governmental Property Agreement at the time of an **Active Assailant Event** or a **Hostage Event**, this Endorsement covers property located at the addresses stated on the Schedule attached to the Governmental Property Agreement
- b. If the **Named Member** does not have coverage from the **Pool** under the Governmental Property Agreement at the time of an **Active Assailant Event** or a **Hostage Event**, this Endorsement covers property at the addresses in which the **Named Member** has an insurable interest.

23. Subrogation

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

In the event of any payment under this Endorsement, the **Pool** shall be subrogated to the extent of such payment to all the **Named Member's** right of recovery therefor. The **Named Member** shall execute all papers required, shall cooperate with the **Pool** and, upon the **Pool's** request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The **Pool** will act in concert with all other interests concerned (including the **Named Member**) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- (a) Any interest, (including the **Named Member's**), exclusive of any deductible, waiting period or self-insured retention, suffering a loss of the type covered by this Endorsement and in excess of the coverage under this Endorsement shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- (b) Out of the balance remaining, the **Pool** shall be reimbursed to the extent of payment under this Endorsement;
- (c) The remaining balance, if any, shall inure to the benefit of the **Named Member**, or any Pool or insurer providing insurance primary to this Endorsement, with respect to the amount of such primary insurance, deductible, waiting period, self- insured retention, and/or loss of a type not covered by this Endorsement.

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

24. Valuation

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In respect of property damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

- (a) The repairs, replacement or reinstatement (all hereinafter referred to as “replacement”) must be executed with due diligence and dispatch;
- (b) Until replacement has been effected the amount of liability under this Endorsement in respect of loss shall be limited to the **Actual Cash Value** at the time of loss;
- (c) If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Endorsement.

The **Pool's** liability for loss under this Endorsement shall not exceed the smallest of the following amounts:

- (a) The Endorsement limit applicable to the destroyed or damaged property,
- (b) The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss, or
- (c) The amount actually and necessarily expended in replacing said property or any part thereof.

The **Pool** will normally expect the **Named Member** to carry out repair or replacement of the covered property, but if the **Named Member** and the **Pool** agree that it is not practicable or reasonable to do this, the **Pool** will pay the **Named Member** an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The **Pool** will only pay the **Named Member** up to the **Aggregate Limit of Liability** as stated in this Endorsement.

All other terms and conditions remain unchanged.