



Stephenville
Independent
School District

Proposal for
**Auto, Liability,
and Property
Coverage**





January 25, 2019

Debbie Hummel
Stephenville ISD
2655 W. Overhill Drive
Stephenville, Texas 76101

RE: Auto, Liability, and Property Proposal

Dear Ms. Hummel:

The TASB Risk Management Fund (Fund) is pleased to offer you the enclosed Auto, Liability, and/or Property proposal. The Auto, Liability, and/or Property response is issued in lieu of your renewal proposal.

We are here to provide comprehensive risk solutions that support your ongoing efforts to maintain a healthy and safe learning environment. The Fund has been supporting educational excellence since 1974 while remaining a financially strong and stable partner to members. This long record of success reflects our determination to meet the ever-changing needs of those we serve.

The Auto, Liability, and Property program includes loss prevention services, training opportunities, and school emergency management services. Fund membership also includes program-specific benefits, such as Privacy & Information Security coverage for Liability and Property members and hail notifications for Property members.

Fund members can access their Coverage Agreements on the Fund Website (tasbrmf.org). Your enclosed Contribution and Coverage Summary (CCS) includes more detailed information for each program. Once you have reviewed your agreement(s), it may be returned via e-mail to scot.parnell@tasb.org or tasbrmf@tasbrmf.org.

We look forward to providing your coverage and continuing a successful partnership with your organization. If you have any questions regarding this proposal, would like a proposal other than on a package basis, or need additional information, please contact me at 800.482.7276.

Sincerely,

Scot Parnell
Sr. Risk Management Consultant
Risk Management Services
Texas Association of School Boards, Inc.



Auto, Liability, Property
Proposal

Stephenville Independent School District



Submitted by:
TASB Risk Management Fund
P.O. Box 301
Austin, Texas 78767-0301
tasbrmf.org

Scot Parnell, CSRM
Sr. Risk Management Consultant
scot.parnell@tasb.org
800.482.7276 or 512.505.2815
Cell: 817.304.3667



January 25, 2019

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Company Name: Morgan Mill ISD
Contact Person/Title: Wendy Sanders / Superintendent
Address: PO Box 8
Morgan Mill, Texas 76465-0008
Telephone Number/E-mail: 254.968.4921 / wsanders@mmisd.us

Company Name: Azle ISD
Contact Person/Title: Monica Miller / Director of Finance & Operations
Address: 300 Roe Street
Azle, Texas 76020-3106
Telephone Number/E-mail: 817.444.0805 / mmiller@azleisd.net

Company Name: Brock ISD
Contact Person/Title: Mike McSwain / Chief Financial Officer
Address: 100 Grindstone Road
Brock, Texas 76087
Telephone Number/E-mail: 817. 594.7642 / mmcswain@brockisd.net

Company Name: Huckabay ISD
Contact Person/Title: Troy Roberts / Superintendent
Address: 200 CR 421
Stephenville, Texas 76401
Telephone Number/E-mail: 254.968.5274 / troberts@hisd.us

Company Name: Lingleville ISD
Contact Person/Title: Curtis Haley / Superintendent
Address: 21261 N Hwy 219
Lingleville, TX 76461-0134
Telephone Number/E-mail: 254.968.2596 / chaley@lingleville.us

Testimonials



What Others Say About the Fund

The Fund's success can best be measured by what others say.

"The Fund is helpful in providing training knowledge and expertise to our district; this helps us navigate through our day-to-day activities and challenges we face."

Shannon Burns
East Central ISD

"The Fund is the best tool for references/advice. Like a Bible for all answers!"

Norma Hysler
Deer Park ISD

"TASB staff are available, friendly, and easy to work with. Thanks to Jennifer Jones and Mike Rock for answering my questions."

Karla Davlin
Pewitt CISD

"Great resources and so easy to pick up a phone and talk to someone immediately with a question."

Cheryl Barron
Pleasanton ISD

"TASB has been a resourceful tool for our district and I enjoy working with them."

Mona Barnes
Southwest ISD

"So helpful! Couldn't exist without them!"

Margie Simmons
Dripping Springs ISD

"We heavily rely on the direction and expertise of TASB for our policies and employee handbook."

Miguel Escobedo
Clint ISD

"(The Fund) has helped with safety and provided many resources with risk management. Lowered our costs too!"

Tracie Malovets
Rogers ISD

"Successfully preparing our learners for a dynamic future is one definition of excellence in our schools. Through excellent service, coverages that meet the changing needs of school districts, and continued education, the Fund allows our educators to do their jobs of educating children without the worry of potential property catastrophes, vehicle damage, equipment breakdown, claims, or employee injuries."

Sid Grant
Coppell ISD

STEPHENVILLE INDEPENDENT SCHOOL DISTRICT

SEALED COMPETITIVE PROPOSAL INVITATION -- PROPOSAL #8-9/005

Property Casualty Insurance

Special Conditions

Sealed Proposals must be physically delivered and received by the buyer in the Business Office at Stephenville ISD Administration Building, 2655 W. Overhill Drive, Stephenville, TX 76401, prior to 2:00 pm on Friday, February 8, 2019 to Debbie Hummel, Executive Director for Finance/Operations. Opening will be at 11:00 am February 8, 2019.

Summary of General Specifications:

1. Stephenville ISD is requesting proposal to provide District property casualty insurance coverage including:
 - a. Property Insurance on all properties as listed on Schedule A;
 - b. Inland Marine Coverage as listed on Schedule A;
 - c. Equipment Breakdown Coverage as listed on Schedule A;
 - d. Crime Coverage as listed on Schedule A;
 - e. General Liability as listed on Schedule A;
 - f. Employee Benefits Liability as listed on Schedule A;
 - g. Educator's Legal Liability as listed on Schedule A;
 - h. Automobile Coverage as listed on Schedule A.
2. All specifications listed on Schedule are minimum requirements and comparable coverage is required.
3. Additionally, proposals are required to state pricing for tail coverage on Employee Benefits Liability back to occurrences dated September 1, 2016 should be included.
Employee Benefits Liability coverage is provided by the TASB Risk Management Fund on a per Occurrence basis without "tail coverage." If a claim is filed against the district for such allegations, the district's applicable renewal Participation Period would apply. Stephenville ISD's Employee Benefits Liability coverage has been continuous with the TASB Risk Management Fund since 3/1/1998.
4. Additionally, proposals are required to state pricing for tail coverage on Educator's Legal Liability back to occurrences dated September 1, 2008 should be included.
The Fund's Professional Legal Liability covers allegations for Wrongful Acts without a retroactive date. Stephenville ISD's Professional Legal Liability coverage has been continuous with the TASB Risk Management Fund since 3/1/1998.

For claim allegations prior to the 3/1/2019 renewal, the Fund's Professional Legal Liability applies to Wrongful Acts based on date of allegation as long as:

- no notice was given to any prior insurer of the Wrongful Act
- the Covered Person had no knowledge of the Wrongful Act likely to give rise to a claim under this coverage, and
- the claim is first made against the Covered Person and reported to the Fund during the Participation Period. Coverage for "tail coverage" is quoted at the time of cancellation.

5. The insurance coverage will be for the year 2019 beginning March 1, 2019, with the option for two annual renewals with satisfactory renewal rates and satisfactory claims reimbursement experience.
The initial term of this agreement is for one year and shall commence at 12:01 a.m., on March 1, 2019 and shall renew upon that anniversary date unless sooner terminated in accordance with the provisions of the Contribution and Coverage Summary (CCS) and Interlocal Participation Agreement (IPA). Generally, the Fund issues its renewals 60 days prior to the anniversary date.
6. The underwriting company must be rated at A+ or better by Best Ways Rating.
Not Rated – The Fund is not an insurance company and is not subject to Best’s rating. The Fund has been acknowledged by AGRiP (Association of Governmental Risk Insurance Pools) for compliance with recommended operational practices and documentation set forth in AGRiP’s Pooling Advisory Standards. The Fund is protected against excess losses through stop loss coverage and all stop loss carriers have ratings of “A” or higher.
7. The student population is all participating students. The estimated student population is seven campuses with grades PreK-6 – 4,015 students, two campuses with grades 7-8 – 1,132 and two campuses with grades 9-12 – 2,043 with total student population of 7,190.
8. The current employee category distribution for the District is teachers, 498; other professional positions, 78; administrators, 87; para-professionals, 185; and custodial, maintenance, and food services, 165.
9. The carrier may be different for each type of coverage, but a comprehensive carrier is preferred.
10. Issues of betterments should be attached and clearly marked as such.
11. Loss runs for the last five years are attached.
12. Additional information may be included by the organization that addresses their ability to service the District.

General Proposal Requirements:

1. Sealed Proposal envelopes must be downloaded into drop box (link: <https://sendtomyccloud.com/PandL-Proposal>) and received by the buyer in the drop box prior 11:00 am on February 8, 2019.
2. Proposal deadline is 11:00 a.m., Friday, February 8, 2019.
3. The Assurance Section of this document must be completed with signatures and returned as part of the Proposal.
4. This CSP is for the purpose of soliciting offers from vendors/contractors and is not an expression of intent or an offer to contract by Stephenville ISD. Nothing contained in this CSP nor in any proposal submitted in response to this CSP will be binding on Stephenville ISD. Stephenville ISD reserves the right to accept or reject any or all proposals, to waive any formalities and irregularities and to award this Proposal in the best interest of the District. The contents of this CSP are confidential and may not be disclosed to any third party until proposal opening.
5. Award consideration will comply with the Texas Education Code, purchase contract rules and consideration will be given to the following:
 - The purchase price or cost of service – value 30 points;
 - The reputation of the vendor and the vendor’s goods and/or services – value 10 points;
 - The quality of the vendor’s goods and/or services – value 10;
 - The extent to which the goods or services meet the district’s needs including but not limited to product specification, delivery date and standardization within the district – value 30 points;
 - The vendor’s past relationship with the campus, department, this district or other districts, including reputation of the vendor and of the quality of its goods or services – value 5 points;

- The impact of the ability of the district to comply with laws and rules relating to historically underutilized businesses – value 0 points;
 - The total long-term cost to the district to acquire the vendor's good and/or services – value 10 points and;
 - Any other relevant factor specifically listed in the request for proposal – value 5 points.
6. All questions or communications regarding issue of this CSP, Coverage, Student Population, Project Scope and Project specifics should be addressed to:
- Debbie Hummel
 - Executive Director of Finance & Operations
 - 254-968-7990
 - deborah.hummel@sville.us

Assurances for Proposal Submission:

1. The proposing firm is strictly prohibited from transferring or assigning this Proposal document and/or the award of items.

Please see Items 9 and 20 in the terms and conditions of the IPA:

9. Administration of Claims. The Fund or its designee agrees to administer all claims for which Fund Member has coverage after Fund Member provides timely written notice to the Fund. Fund Member hereby authorizes the Fund or its designee to act in all matters pertaining to handling of claims for which Fund Member has coverage pursuant to this Agreement. Fund Member expressly agrees that the Fund has sole authority in all matters pertaining to the administration of claims and grants the Fund or its designee full decision-making authority in all matters, including without limitation, discussions with claimants and their attorneys or other duly authorized representatives. Fund Member further agrees to be fully cooperative in supplying any information reasonably requested by the Fund in the handling of claims. All decisions on individual claims shall be made by the Fund or its designee, including, without limitation, decisions concerning claim values, payment due on the claim, settlement, subrogation, litigation, or appeals.

20. Representation. Fund Member authorizes the Fund to represent Fund Member in any lawsuit, dispute, or proceeding arising under or relating to any Fund program and/or coverage in which Fund Member participates. The Fund may exercise this right in its sole discretion and to the fullest extent permitted or authorized by law. Fund Member shall fully cooperate with the Fund, its designee, and the Fund's chosen counsel, including, without limitation, supplying any information necessary or relevant to the lawsuit, dispute, or proceeding in a timely fashion. Subject to specific revocation, Fund Member designates the Fund to act as a class representative on its behalf in matters arising out of this Agreement.

2. The proposing firm or company and undersigned affirm that they are duly authorized to execute this contract.
3. This company, corporation, firm(s), partnership or individual has not prepared this Proposal in collusion with any other firm.
4. The contents of this Proposal as to prices, terms or conditions of said Proposal have not been communicated by the undersigned or by any employee or agent to any other person engaged in this type of business prior to the official opening of this Proposal.

5. As representative, I am aware of the District's Policy and Procedure on conflict of interest and either there is no need for an affidavit of disclosure to be filed or one will be filed prior to the Board Meeting where action will be taken on this item.
6. As representative, I understand any district employee who exercises discretion in connection with purchasing or payments cannot accept or agree to accept any benefit from any district transaction.
7. As representative, I certify that the company shown above is not currently suspended, debarred, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency.
8. Section 44.034, Texas Education Code, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or the owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony." I have attached notice as required by law, if applicable.
9. Under legislation passed in HB 914, I understand it is my responsibility to complete "Conflict of Interest Questionnaire" Form QIC attached based on current Board of Trustees or local governmental officials as listed:

H. Anne Calahan	Ed Dittfurth	Sherrie Evans
Scott Osman	Cole Parks	Robert Barberee
Keri Vanden Berge	Matt Underwood	

Reference Section:

Schools or Public Entities preferred:

Morgan Mill ISD	Wendy Sanders	254.968.4921
School	Contact Name	Phone number
Azle ISD	Monica Miller	817.444.0805
School	Contact Name	Phone number
Brock ISD	Mike McSwain	817. 594.7642
School	Contact Name	Phone number
Huckabay ISD	Troy Roberts	254.968.5274
School	Contact Name	Phone number
Lingleville ISD	Curtis Haley	254.968.2596
School	Contact Name	Phone number

Pricing Section:

Please list pricing for each line in the specification section and if included above, state that clearly.

Signatures and Required Information:

TASB Risk Management Fund

Company Name

PO Box 301	Austin	Texas	78767-0301
Address	City	State	Zip

Authorized Representative's Signature	January 25, 2019
	Date

	Associate Executive Director		
	Risk Management Services		
	Texas Association of School		
	Boards, Inc.	800.482.7276	512.467.3645
Authorized Representative's Name	Title	Telephone	FAX
Scot Parnell	Sr. Risk Management Consultant	800.482.7276	512.467.3645
Contact Person	Title	Telephone	FAX

Schedule A—Specifications

1. Property				
Risk of Direct Physical Loss to Buildings, Personal Property, and Other Structures				
• All Perils Except Wind, Hurricane, and Hail		Deductible	\$10,000	\$193,493
• Blanket Replacement Cost				
• *Wind, Hurricane, and Hail*	\$123,401,611	Deductible	*\$250,000*	Included
• Flood	\$2,000,000	Deductible	\$100,000 \$50,000	Included
• Earthquake	\$2,000,000	Deductible	\$50,000	Included
• Crime	\$100,000	Deductible	\$10,000	Included
Sublimit for Wind, Hurricane, and Hail Loss to single ply Membrane roofs and accompanying roof systems; All other deductibles apply		Deductible	\$25,000 \$250,000	Included
Additional deductible(s) for Wind, Hurricane, and Hail - \$100,000 per building over 25,000 square feet sustaining damage, up to a maximum deductible for the Occurrences of \$1,000,000, inclusive of the Wind, Hurricane, and Hail deductible.	\$123,401,611	Deductible	\$100,000	Included
2. Equipment Breakdown	\$100,000,000	Deductible	\$10,000	Included
3. School Liability	Per occurrence	Deductible		
• Professional Legal Liability	\$1,000,000*	\$5,000		\$12,767
	*Subject to \$1,000,000 Maximum Annual Aggregate			
• General Liability	\$1,000,000	-0-		Included
• Employee Benefits Liability	\$100,000	-0-		Included
4. Privacy & Information Security				
• \$100,000 Limit for Privacy Liability		Deductible	-0-	Included
• \$100,000 Limit for Claim / Event Response Services		Deductible	-0-	Included
• Notification Costs for up to 10,000 individuals				Included
5. Automobile Coverage Limits	\$100 / \$300 / \$100	Deductible	\$1,000	\$13,089
\$100,000 per person bodily injury limits				
\$300,000 per occurrence bodily injury limits				
\$100,000 per occurrence property damage limits				
Automobile Physical Damage				\$12,338
Comprehensive – actual cash value deductible \$1,000				Included
Collision – Actual Cash Value deductible \$1,000				Included

Schedule B—Property Listing

See additional link on same website page

Schedule C—Loss Runs

See additional link on same website page

**STEPHENVILLE ISD
PROPOSER/VENDOR CERTIFICATION FORMS**

***The Fund does not believe that the questions required due to Stephenville ISD's receipt and expenditure of Federal funds are applicable to the Fund concerning the provision of Risk Management Services under SISD's existing interlocal contract with the Fund. If SISD believes that these questions are applicable and provides the Fund notice, the Fund will respond as requested.**

CERTIFICATION OF COMPLIANCE WITH TEXAS FAMILY CODE PROVISION

As per Section 14.52 of the Texas Family Code, added by S.B. 84, Acts, 73rd Legislature, R.S. (1993), all bidders must complete and submit with the bid the following affidavit:

I, the undersigned vendor, do hereby acknowledge that NO sole proprietor, partner, majority shareholder of a corporation, or an owner of 10% or more of another business entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement. I understand that under this provision, a sole proprietorship, partnership, corporation or other entity in which a sole proprietor, partner, majority shareholder or a corporation, or an owner of 10% or more of another entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement is NOT eligible to bid or receive a state contract.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

**REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS
UNDER FEDERAL AWARDS – APPENDIX II TO 2 CFR PART 200**

I. The following provisions are required and apply when federal funds are expended by Stephenville ISD for any contract resulting from this procurement process.

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Pursuant to Federal Rule (A) above, when federal funds are expended by Pasadena ISD, Stephenville ISD reserves all rights and privileges under the applicable laws and regulations with respect to this procurement in the event of breach of contract by either party.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

(B) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be affected and the basis for settlement. (All contracts in excess of \$10,000)

Pursuant to Federal Rule (B) above, when federal funds are expended by Stephenville ISD, Stephenville ISD reserves the right to immediately terminate any agreement in

excess of \$10,000 resulting from this procurement process in the event of a breach or default of the agreement by Vendor, in the event vendor fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. Stephenville ISD also reserves the right to terminate the contract immediately, with written notice to vendor, for convenience, if Stephenville ISD believes, in its sole discretion that it is in the best interest of Stephenville ISD to do so. The vendor will be compensated for work performed and accepted and goods accepted by Stephenville ISD as of the termination date if the contract is terminated for convenience of Stephenville ISD. Any award under this procurement process is not exclusive and Stephenville ISD reserves the right to purchase goods and services from other vendors when it is in the best interest of Stephenville ISD.

Does vendor agree to abide by the above? YES N/A Initials of Authorized Representative of vendor

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

Pursuant to Federal Rule (C) above, when federal funds are expended by Stephenville ISD on any federally assisted construction contract, the equal opportunity clause is incorporated by reference herein.

Does vendor agree to abide by the above?

YES N/A Initials of Authorized Representative of vendor

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of

public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

Pursuant to Federal Rule (D) above, when federal funds are expended by Stephenville ISD, during the term of an award for all contracts and subgrants for construction or repair, the vendor will be in compliance with all applicable Davis-Bacon Act provisions. Does vendor agree? YES N/A Initials of Authorized Representative of vendor

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Pursuant to Federal Rule (E) above, when federal funds are expended by Stephenville ISD, the vendor certifies that during the term of an award for all contracts by Stephenville ISD resulting from this procurement process, the vendor will be in compliance with all applicable provisions of the Contract Work Hours and Safety Standards Act.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Pursuant to Federal Rule (F) above, when federal funds are expended by Stephenville ISD, the vendor certifies that during the term of an award for all contracts by Stephenville ISD resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (F) above.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251- 1387).

Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Pursuant to Federal Rule (G) above, when federal funds are expended by Stephenville ISD, the vendor certifies that during the term of an award for all contracts by Stephenville ISD resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (G) above.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Pursuant to Federal Rule (H) above, when federal funds are expended by Stephenville ISD, the vendor certifies that during the term of an award for all contracts by Stephenville ISD resulting from this procurement process, the vendor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Pursuant to Federal Rule (I) above, when federal funds are expended by Stephenville ISD, the vendor certifies that during the term and after the awarded term of an award for all contracts by Stephenville ISD resulting from this procurement process, the vendor certifies that it is in compliance with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). The undersigned further certifies that:

- (1) No Federal appropriated funds have been paid or will be paid for on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (1) The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

**RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS –
2 CFR § 200.333**

When federal funds are expended by Stephenville ISD for any contract resulting from this procurement process, the vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The vendor further certifies that vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

**CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS
APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS
IN EXCESS OF \$100,000 OF FEDERAL FUNDS**

When federal funds are expended by Stephenville ISD for any contract resulting from this procurement process in excess of \$100,000, the vendor certifies that the vendor is in compliance with all applicable standards, orders, regulations, and/or requirements issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act, as amended (33 U.S.C. 1368), Executive Order 117389 and Environmental Protection Agency Regulation, 40 CFR Part 15.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT

When federal funds are expended by Stephenville ISD for any contract resulting from this procurement process, the vendor certifies that the vendor will be in compliance with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS

Vendor certifies that vendor is in compliance with all applicable provisions of the Buy America Act. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition.

Does vendor agree? YES N/A Initials of Authorized Representative of vendor

CERTIFICATION OF NON-COLLUSION STATEMENT

Vendor certifies under penalty of perjury that its response to this procurement solicitation is in all respects bona fide, fair, and made without collusion or fraud with any person, joint venture, partnership, corporation or other business or legal entity.

Does vendor agree? YES _____ Initials of Authorized Representative of vendor

***Vendor agrees to comply with all federal, state, and local laws, rules, regulations and ordinances, as applicable. It is further acknowledged that vendor certifies compliance with all provisions, laws, acts, regulations, etc. as specifically noted above.**

The Fund does not believe that the questions required due to Stephenville ISD's receipt and expenditure of Federal funds are applicable to the Fund concerning the provision of Risk Management Services under SISD's existing interlocal contract with the Fund. If SISD believes that these questions are applicable and provides the Fund notice, the Fund will respond as requested.

Vendor's Name/Company Name: TASB Risk Management Fund

Address, City, State, and Zip Code: PO Box 301, Austin, Texas, 78767-0301

Phone Number: 800.482.7276

Fax Number: 512.467.3645

**Dubravka H. Romano
Associate Executive Director
Risk Management Services**

Printed Name and Title of Authorized Representative: Texas Association of School Boards, Inc.

Email Address: RFPUnderwriting@tasb.org

Signature of Authorized Representative: _____

Date: January 25, 2019

Federal Tax ID # 74-2499129

Stephenville Independent School District



About the Fund

The Fund is a nonprofit self-insured risk pool guided by a mission to provide comprehensive and responsive risk solutions that support educational excellence in Texas public school districts and other public educational entities.

The Interlocal Participation Agreement (IPA) allows political subdivisions to pool risks ordinarily assumed on an individual basis.

The Fund is not an insurance company or agency and is not required to be licensed, nor is it regulated by the Texas Department of Insurance. The TASB Risk Management Fund is not subject to Best's rating.

TASB Partnership

The Fund contracts with the Texas Association of School Boards (TASB) to administer and manage its programs. TASB experts in human resources, business services, and school board operations are always close by, making it easier to help members on a broader scale.

Fund History

In 1974, several Texas school districts recognized risk-pooling as a way to satisfy the new legal requirement to provide workers' compensation coverage to employees. TASB worked with several of its members to create the TASB Workers' Compensation Self-Insurance Fund (WCSIF) to meet school districts' needs for affordable and professional workers' compensation services. The successful WCSIF launch led to additional risk management programs, which merged in 1997 to form the Fund.

A 19-member Board of Trustees is responsible for governance and operations and ensures that the Fund remains true to its mission. Trustees are uniquely positioned to understand the needs of Texas public school districts and educational entities. They represent member organizations and include school board members, superintendents, or other school officials.

The Fund has remained a stable and financially strong partner to members for decades. We are committed to maintaining this position and continuously meeting the ever-changing needs of those we serve.

Stephenville Independent School District



Fund Board of Trustees



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Fund Chair
Longview ISD



Morris Blankenship
Adrian ISD



Gerry M. Fleuriet
Harlingen CISD



Dovie Peschel
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Wes Eversole
Lake Dallas ISD



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Crowley ISD



Dr. Dan J. Troxell
Leander ISD



Andra Self
Lufkin ISD



Paul McLarty
Clear Creek ISD



Scott Campbell
East Chambers ISD



Dr. Steve Brown
Ector County ISD



Janet Lott
Runge ISD



Rolinda Schmidt
Kerrville ISD

Stephenville Independent School District



Programs

Whether looking to the Fund for one coverage program or all five, members receive service from experts in risk management for school districts and other education entities. Fund members can count on comprehensive risk management strategies, including loss prevention services that are unmatched in the industry, in-house claims administration, medical cost management, underwriting, and an array of training and education opportunities.

The Fund offers the following programs for membership:

- Auto Liability and Physical Damage coverage specifically for school districts and other educational entities
- Comprehensive Property coverage specifically for school districts and other educational entities
- School Liability with Professional Legal Liability and General Liability coverage that recognizes the unique exposures and immunities of districts and other public entities
- Privacy and Information Security coverage included in Property and Liability programs at no additional cost
- Unemployment Compensation services that include assistance with hearings before the Texas Workforce Commission (TWC)
- Workers' Compensation coverage with options for fully funded and aggregate deductible plans as well as Administrative Services Only (ASO) plans

Members can choose from various pricing and risk retention or deductible options, depending on their needs.

Comprehensive Risk Management Solutions



Auto



Property



School Liability



**Privacy and
Information Security**



**Unemployment
Compensation**



**Workers'
Compensation**



TASB Partnership



Loss Prevention Services



Training and Education

Stephenville Independent School District



Service Philosophy

While it may look like an insurance company, the Fund is not insurance. We're really in the education business, and we believe schools should be healthy, safe, and secure learning and working environments. The heart of the Fund's mission is to support educational excellence in Texas public education.

To that end, the Fund provides members with consultations, training, and resources to prevent and mitigate losses, and top-tier integrated claims and medical management when claims occur.

We think that's the value of membership, and we hope you agree.

Member Survey

The Fund surveys members for feedback to ensure services continue to meet members' needs. In 2017, the Fund launched its most comprehensive survey to date.

What Fund members say

99% of members agree the Fund provides comprehensive risk solutions for their organization



97-99% of Fund members renew their coverages on an annual basis

Top reasons for staying with the Fund include

- Customer Service
- Claims Handling
- Price
- Relationships





Attorney General Opinion



John L. Hill
Attorney General

THE ATTORNEY GENERAL OF TEXAS

May 7, 1975

The Honorable M. L. Brockette
Commissioner of Education
201 East Eleventh Street
Austin, Texas 78701

Opinion No. H-602

Re: Use of school district
funds to purchase personal
injury insurance protection.

Dear Dr. Brockette:

Noting that school districts are authorized to purchase insurance protection against claims made by injured parties and others under the Texas Tort Claims Act (Article 6252-19, V. T. C. S.), your office has asked whether an independent school district may use local district maintenance funds to purchase:

- (a) Personal injury protection coverage as provided for in article 5.06-3, 3, Vernon's Texas Insurance Code (Acts 1973, 63rd Leg., ch. 52, p 90);
- (b) Uninsured motorist protection as provided for in article 5.06-1, Vernon's Texas Insurance Code, (Acts 1967, 60th Leg., ch. 202 p. 448).

In Attorney General Opinion M-989 (1971) this office concluded that school districts were authorized to purchase insurance protection against claims for bodily injury arising out of risks recognized by section 3 of the Texas Tort Claims Act (the general liability section) and that they might also purchase such insurance to cover employees exposed to individual liability by virtue of their official duties. **And see** Attorney General Opinion H-70 (1973).

Article 5.06-3 requires that, unless the coverage is rejected in writing, all policies of automobile liability insurance issued or delivered in this State shall provide for personal injury protection coverage, defined in subparagraph (b) as:

"Personal injury protection" consists of provisions of a motor vehicle liability policy which provide for payment to the named insured in the motor vehicle liability policy and members of the insured's household, any authorized operator or passenger of the named insured's motor vehicle including a guest occupant, up to an amount of \$2,500 for each such person or payment of all reasonable expenses arising from the accident and incurred within three years from the date thereof for necessary medical, surgical, X-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services, and in the case of an income producer, payment of benefits for loss of income as the result of the accident; and where the person injured in the accident was not an income or wage producer at the time of the accident, payments of benefits must be made in reimbursement of necessary and reasonable expenses incurred for essential services ordinarily performed by the injured person for care and maintenance of the family or family household...

Subparagraph (c) of the article provides that the benefits are payable without regard to fault and without regard to the availability of similar benefits from a collateral source. It provides that payment of the benefit shall not create in the insurer any right of subrogation. These provisions assure recovery by the beneficiary regardless of duplicate payments in a judgment against a third person, under workmens compensation, under a hospitalization policy, under a policy covering interruption of employment, or any other source.

Despite the similarity of this coverage to other coverages which have been approved for purchase by subdivisions of the State, and particularly school districts, we are compelled to hold that there is no authorization for a school district to purchase personal injury protection

coverage as defined in article 06-3 (b) of the Insurance Code.

Furnishing hospitalization insurance has been upheld only because it is considered a part of the employee's compensation. Attorney General Opinions Nos. WW-731 (1959); WW-1101 (1961). And see Byrd v. City of Dallas, 6 S.W. 2d, 738 (Tex. 1938).

However, under section 5.06-3, the coverage bought by the school district is not only for the employee but also for any other persons who are injured while riding in vehicles owned by the school district and operated by its employees. Although limited coverage which benefited only the employee and those for whom he is financially responsible might be authorized as a part of an employee's compensation, such broad coverage as 5.06-3 contemplates is not, in our opinion, actually employee compensation since the benefits inure to such a broad group of persons.

Further, the school district is not authorized to spend funds to benefit private individuals. Tex. Const. art. 3, secs. 50, 51 and 52. Under section 5.06-3, the no-fault character of the coverage would provide benefits to persons to whom the school district owes no legal obligation.

In our opinion the provisions of such coverage, at the expense of the school district, would amount to a grant of public money or thing of value to an individual, in violation of article 3, Sections 50, 51 and 52 of the Texas Constitution.

We, therefore, answer your first question in the negative.

Uninsured motorist coverage is not defined by statute as precisely as is personal injury protection coverage. See article 5.06 -1, Vernon's Texas Insurance Code. As described in the Texas Standard Form automobile liability policy, it is the obligation other insurer:

To pay all sums which the insured or his legal representative shall be legally entitled to recover as damages from the owner or operator of an uninsured

automobile because of bodily injury, sickness or disease, including death resulting therefore, ... caused by accident and arising out of the ownership maintenance or use of such uninsured automobile...

In effect, payment under this coverage would meet the obligation of a third person to the occupant of the district's vehicle (whether an employee or not) at the expense of the district. We feel the same observations we made earlier as to the personal injury protection coverage would apply and that there is no authority for the purchase of such uninsured motorist coverage by a school district upon its vehicles.

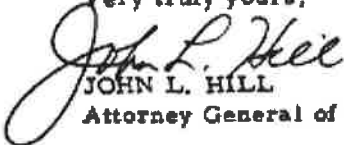
Such coverage does not in any way meet any obligation of the school district created by the Tort Claims Act.

We therefore answer your second question in the negative.

SUMMARY

The purchase of either personal injury protection coverage or uninsured motorist coverage by an independent school district with local district maintenance funds would be unconstitutional.

Very truly yours,


JOHN L. HILL
Attorney General of Texas

APPROVED:



DAVID M. KENDALL, First Assistant


C. ROBERT HEATH, Chairman
Opinion Committee

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Member Benefits

Annual Members' Conference

The Fund hosts the premiere risk management training event, the annual Members' Conference, in Austin each spring. Education professionals from across the state attend to learn from experts about risk management hot topics that impact their organizations. The conference is provided at no additional cost to Fund members.

Fund Excellence Awards

We are proud of our members for strengthening and improving their organizations and communities. For more than a decade, we've recognized their ideas with the Innovation Awards. The program has been updated to better showcase the variety of excellence in risk management solutions our members implement with the TASB Risk Management Fund Excellence Awards.



Webinars

Fund webinars bring high-quality training directly to members' desktops. In both live and recorded sessions, attendees can learn about their legal rights and obligations, cost savings, and how to do business in an efficient and safe manner. This ongoing series is provided at no additional cost to members.

Online Services

The Fund Website (tasbrmf.org) features a member service center, library of resources, training database, and an array of information.

myTASB is a secure site just for members that provides manuals, training documents, sample forms and notices, a training video library, and online reports.

A user ID and password are required to access these secure resources. The member's designated program contact can create *myTASB* user accounts and grant access to other employees.

Claims Reporting

Members can report a claim online, with the ability to review and edit information before submission. In addition, members can e-mail police reports, pictures, and other investigative documents with ease.

Online Reports

Members can monitor various reports, which are updated daily, using *myTASB*. Fund members can log in at any time and delegate access to other staff members. The reports have been updated with a new look and added functionality for members in Workers' Compensation, Auto, Liability, Property, and Unemployment Compensation.

Member Blog

The Fund's member newsletter, *News and Views*, is now the *InsideRM* blog (tasbrmf.org/insiderm). The blog keeps members informed of the latest educational opportunities and risk management hot topics. This is provided to members at no additional cost.



Sample Reports



**Auto, Liability, and Property
 Detailed Claims Report as of January 17, 2018**

* Estimate of damage reserves pending

Sample ISD

Coverage Period from October 01, 2015 thru October 01, 2018

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description
Auto Liability										
2029307177	999	Claimant Name	10/25/16	Close	1,541	541	0	1,000	0	Accident description is here.
2029307191	999	Claimant Name	10/29/16	Close	29,298	21,053	7,245	1,000	0	Accident description is here.
2029307191	999	Claimant Name	10/29/16	Close	8,567	7,723	845	0	0	Accident description is here.
2029307191	999	Claimant Name	10/29/16	Close	1,721	1,721	0	0	0	Accident description is here.
2029307234	999	Claimant Name	10/31/16	Close	5,212	4,212	0	1,000	0	Accident description is here.
2029307247	999	Claimant Name	11/4/16	Close	346	0	0	346	0	Accident description is here.
2029307311	999	Claimant Name	11/1/16	Close	0	0	0	0	0	Accident description is here.
2029307754	999	Claimant Name	12/3/16	Close	200	0	0	200	0	Accident description is here.
Totals : 10/01/2015 to 10/01/2016					46,884	35,250	8,089	3,546	0	COUNT OF CLAIMS
Totals for Auto Liability :					46,884	35,250	8,089	3,546	0	COUNT OF CLAIMS



**Auto, Liability, and Property
 Detailed Claims Report as of January 17, 2018**

* Estimate of damage reserves pending

Sample ISD

Coverage Period from October 01, 2015 thru October 01, 2018

Auto Physical Damage

Contract Number 12345-9999 Coverage Period: 10/01/2015 to 10/01/2016

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description
2029307191	999	Claimant Name	10/29/16	Close	10,322	9,322	0	1,000	0	Accident description is here.
2029307234	999	Claimant Name	10/31/16	Close	1,452	452	0	1,000	0	Accident description is here.
2029307311	999	Claimant Name	11/1/16	Close	5,885	4,885	0	1,000	0	Accident description is here.
2029307549	999	Claimant Name	11/14/16	Close	3,653	2,653	0	1,000	0	Accident description is here.
2029307850	999	Claimant Name	11/26/16	Close	3,902	2,902	0	1,000	0	Accident description is here.

Totals : 10/01/2015 to 10/01/2016

25,214 20,214 0 5,000 0

COUNT OF CLAIMS

5

Totals for Auto Physical Damage :

25,214 20,214 0 5,000 0

COUNT OF CLAIMS

5



**Auto, Liability, and Property
 Detailed Claims Report as of January 17, 2018**

* Estimate of damage reserves pending

Sample ISD

Coverage Period from October 01, 2015 thru October 01, 2018

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description
General Liability										
2029307164	999	Claimant Name	10/24/16	Close	0	0	0	0	0	Accident description is here.
Totals : 10/01/2015 to 10/01/2016					0	0	0	0	0	COUNT OF CLAIMS
Totals for General Liability :					0	0	0	0	0	COUNT OF CLAIMS

Contract Number 12345-9999 Coverage Period: 10/01/2015 to 10/01/2016



**Auto, Liability, and Property
 Detailed Claims Report as of January 17, 2018**

* Estimate of damage reserves pending

Sample ISD

Coverage Period from October 01, 2015 thru October 01, 2018

SP Legal Liability

Contract Number 12345-9999 Coverage Period: 10/01/2015 to 10/01/2016

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description	COUNT OF CLAIMS
2029307604	999	Claimant Name	12/4/16	Open	81,350	8,413	0	25,000	47,937	Accident description is here.	1
Totals : 10/01/2015 to 10/01/2016					81,350	8,413	0	25,000	47,937		1
Totals for SP Legal Liability :					81,350	8,413	0	25,000	47,937		1
Grand Total:					153,448	63,876	8,089	33,546	47,937		15



**TASB RISK
MANAGEMENT FUND**

P.O. Box 301, Austin, Texas 78767 • 800.482.7276 • tasbrmf.org

Auto, Liability, and Property

Open Claims Report as of January 17, 2018

* Estimate of damage reserves pending

Sample ISD

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description	
Auto Liability											
Contract Number 9999-2017-1 Coverage Period: 10/01/2017 to 10/01/2018											
2017049757	826	Claimant Name	10/14/17	Open	12,905	5,118	0	0	7,787	Accident description is here	
2017049997	258	Claimant Name	11/2/17	Open	2,948	2,948	0	0	0	Accident description is here	
2018050484	181	Claimant Name	1/4/18	Open	6,355	0	0	0	6,355	Accident description is here	
Totals: 10/01/2017 to 10/01/2018					22,208	8,066	0	0	14,142	COUNT OF CLAIMS	3
Totals for Auto Liability:					22,208	8,066	0	0	14,142	COUNT OF CLAIMS	3
Auto Physical Damage											
Contract Number 9999-2016-1 Coverage Period: 10/01/2016 to 10/01/2017											
2017048922	513	Claimant Name	7/1/17	Open	13,880	6,950	0	3,155	3,775	Accident description is here	
2017049097	759	Claimant Name	8/15/17	Open	7,355	0	0	0	7,355	Accident description is here	
2017049165	866	Claimant Name	8/22/17	Open	3,155	0	0	0	3,155	Accident description is here	
2017049234	966	Claimant Name	8/27/17	Open	6,360	299	0	0	6,061	Accident description is here	
Totals: 10/01/2016 to 10/01/2017					30,750	7,249	0	3,155	20,346	COUNT OF CLAIMS	4



**TASB RISK
MANAGEMENT FUND**

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Auto, Liability, and Property

Open Claims Report as of January 17, 2018

* Estimate of damage reserves pending

Sample ISD

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description
Auto Physical Damage										
2017049757	995	Claimant Name	10/14/17	Open	8,605	2,245	0	1,155	5,205	Accident description is here
2017049950	166	Claimant Name	10/31/17	Open	10,880	9,880	0	1,155	(155)	Accident description is here
2017050140	525	Claimant Name	11/22/17	Open	3,555	1,986	0	1,155	414	Accident description is here
2017050174	584	Claimant Name	11/24/17	Open	12,665	11,665	0	1,155	(155)	Accident description is here
2017050262	750	Claimant Name	12/2/17	Open	4,005	1,412	0	1,155	1,438	Accident description is here
2018050484	182	Claimant Name	1/4/18	Open	7,505	0	0	0	7,505	Accident description is here
Totals: 10/01/2017 to 10/01/2018					47,216	27,189	0	5,775	14,251	
Totals for Auto Physical Damage :					77,966	34,439	0	8,930	34,597	
										COUNT OF CLAIMS
										6
										COUNT OF CLAIMS
										10



**TASB RISK
MANAGEMENT FUND**

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**Auto, Liability, and Property
Open Claims Report as of January 17, 2018**

* Estimate of damage reserves pending

Sample ISD

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description
Property										
Contract Number 9999-2016-1 Coverage Period: 10/01/2016 to 10/01/2017										
2017048716	211	Claimant Name	5/27/17	Open	2,910,155	2,208,769	0	100,155	601,231	Accident description is here
Totals: 10/01/2016 to 10/01/2017					2,910,155	2,208,769	0	100,155	601,231	COUNT OF CLAIMS
Totals for Property :					2,910,155	2,208,769	0	100,155	601,231	COUNT OF CLAIMS
SP Legal Liability										
Contract Number 9999-2015-1 Coverage Period: 10/01/2015 to 10/01/2016										
2015046227	102	Claimant Name	9/22/16	Open	81,505	8,568	0	25,155	47,782	Accident description is here
Totals: 10/01/2015 to 10/01/2016					81,505	8,568	0	25,155	47,782	COUNT OF CLAIMS
Totals for SP Legal Liability :					81,505	8,568	0	25,155	47,782	COUNT OF CLAIMS
Grand Total:					3,091,894	2,259,840	0	134,240	697,753	COUNT OF CLAIMS



TASB RISK
MANAGEMENT FUND

P.O. Box 301, Austin, Texas 78767 • 800.482.7276 • tasbrmf.org

**Auto, Liability, and Property
Severity Claims Report as of December 31, 2017**

* Estimate of damage reserves pending

Sample ISD

Total Incurred Greater than or equal to \$10,000

Event Number	Claim Ref. #	Claimant Name	Date of Loss	Status	Total Incurred	Fund Paid	Recoveries	Member Paid	Total Outstanding	Accident Description
Property										
2017274535	345	Claimant Name	6/29/04	Close	33,997	23,997	0	10,000	0	Accident description is here.
Totals: 04/01/2004 to 04/01/2005					33,997	23,997	0	10,000	0	COUNT OF CLAIMS
Property										
2025295532	345	Claimant Name	8/24/12	Close	31,076	30,076	0	1,000	0	Accident description is here.
Totals: 04/01/2012 to 04/01/2013					31,076	30,076	0	1,000	0	COUNT OF CLAIMS
Totals for Property :					65,073	54,073	0	11,000	0	COUNT OF CLAIMS
Grand Total:					65,073	54,073	0	11,000	0	COUNT OF CLAIMS

Stephenville Independent School District



Program Information

School districts and other educational entities can face unique challenges and complexities when dealing with auto, liability, and property claims. That's why members trust the Fund's expertise and leadership in the industry.

Refer to the Contractual Documents for full and complete coverage and contractual obligations.

Property

The Fund provides replacement cost coverage at 100% of values for Direct Physical Loss to Covered Property, unless the loss is excluded or the coverage is limited in the Property Coverage Agreement or the CCS. The loss must exceed the deductible amount shown on the CCS or this Coverage Agreement. Covered Property means the member's interest in buildings, personal property, and other structures as outlined in the Property Coverage Agreement. All personal property owned by the member is covered while in transit or off-premises with no applicable sublimit.

Blanket Coverage

Property coverage is provided to members on a blanket basis, which means there is no scheduled limit or cost on a per-building basis. The Fund has no coinsurance requirement, thus protecting the member from the possibility of a coinsurance penalty in the event of a loss. Members' appraised values are updated annually, therefore an Agreed Amount Endorsement is not necessary.

Coverage Agreement Information

The Coverage Agreement is written in manuscript form and is designed to meet the coverage needs of Texas school districts and other educational entities. Additional specific endorsements may not be necessary. In many cases, the Fund is also able to fulfill member requests to provide additional insured coverage, loss payables and certificates of coverage for entities contracting with a Fund Member.

Automatic Coverage

- Trees, shrubs, and plants
- Newly acquired property
- New construction or renovation of buildings and other structures by the Fund Member
- Extra expense and Loss in revenue
- Increased cost due to code enforcement or compliance
- Debris removal
- Valuable paper and records
- Electronic records and data
- Food spoilage
- Pollutant cleanup
- Backup of sewers and drains
- Damage to mobile equipment that is not registered for use on a public road

See the CCS and coverage agreement for details. These coverages are included, but many of them have specific limits.

Stephenville Independent School District



Equipment Breakdown

All members of the Fund's Property program have Equipment Breakdown coverage with limits equal to their Property limits or \$100,000,000, whichever is less. This coverage protects air conditioning and refrigeration units, as well as boilers, pressure vessels, and electronic circuitry. Boiler inspections required by law will be provided. The deductible is the same as the Property All Other Perils (AOP) deductible.

Please refer to the Equipment Breakdown Coverage Summary, located on the first page of the Equipment Breakdown section of the enclosed Coverage Agreement, for all sublimits that apply.

Coverage is included for repair or replacement of equipment using CFC refrigerants with retro-fitted or replacement equipment that is CFC-free. Additional coverage is provided for artificially generated electrical currents, including electrical arcing that damages electrical devices, appliance, or wires.

Equipment Breakdown coverage:

Property Damage	Included
Business Income	Included
Extra Expense	Included
Contingent Business Income	\$250,000
Data Restoration	\$250,000
Demolition	\$1,000,000
Excavation Costs	\$25,000
Expediting Expenses	\$250,000
Hazardous Substances	\$250,000
Newly Acquired Locations	Included
Off Premises Equipment Breakdown	\$500,000
Ordinance or Law	\$1,000,000
Perishable Goods	\$250,000
Public Relations	\$5,000
Service Interruption	Included



Included Endorsements

Flood

The Fund will pay the amount of a Loss to Covered Property that exceeds the deductible amount for Flood damage up to \$2,000,000 per Occurrence/annual aggregate or the limit specified in the Contribution and Coverage Summary (CCS). For this endorsement coverage to apply, the Covered Property must be in either Low-risk flood zones (Zone C or X-unshaded) or Moderate-risk flood zones (Zones B or X-shaded) as designated by the National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM).

- For Loss in Zones C and X-unshaded, the Fund will pay in excess of NFIP or any other flood coverage acquired by the Fund Member for these zones;
- For Loss in Zones B and X-shaded, the Fund will pay in excess of the maximum policy limits available for buildings or contents from NFIP or any other flood coverage applicable to these zones, whether the Fund Member acquires such coverage or not.

The deductible shown on the CCS applies as follows:

- For Loss in Zones C or X-unshaded, the deductible only applies if other flood coverage has not been acquired; for Loss in Zones B or X-shaded, the deductible is waived, whether the member acquires such underlying flood coverage or not.
- Fund Member Covered Property is excluded from coverage under this endorsement if it is located in certain Special Flood Hazard Areas (SFHA) identified on the Flood Insurance Rate Map (FIRM).

Earthquake

The Fund will pay up to \$2,000,000 per occurrence/annual aggregate or the limit specified in the CCS for the amount of a Loss

that exceeds the deductible amount for damage directly caused by earthquake.

Crime and Employee Dishonesty

The Fund will pay up to \$100,000 or the limit specified in the CCS for any loss of money or securities that the member incurs as a result of fraudulent or dishonest acts or omission by a member's employee or by the actual destruction or disappearance of money or securities. This coverage only applies to money and securities owned by the Fund member or money belonging to a member-affiliated entity and in the possession of the member at the time of loss. Claims made under this Endorsement apply to Occurrences discovered and reported during the Participation Period. Any claim reported that includes a series of related fraudulent or dishonest acts by an employee shall be treated as one fraudulent or dishonest act and considered as a single Occurrence.

Terrorism

This Endorsement modifies coverage under the Property Coverage Agreement. Coverage is amended, as set forth in this Endorsement only, to amend the language related to terrorism as included in Part C "Limited Coverage, Excluded Coverage, and Excluded Loss" of the Property Coverage Agreement.

The Fund will pay for the amount of the Direct Physical Loss that exceeds the deductible amount and within the limits of coverage shown in the CCS or in the Property Coverage Agreement for damage to Buildings, Personal Property, and Other Structures covered by the Property Coverage Agreement resulting from an Act of Terrorism. In no event will the Fund pay more than the actual cost incurred by the Fund member to repair or replace the damaged Covered Property with materials of like kind and quality, or the limits outlined in the Property Coverage Agreement and applicable CCS.

More details are available in the CCS and coverage document.

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Property Appraisal Services

Accurate and current insurable values are an extremely important component of the Property program. Inflated insurable values can result in excessive contributions, while having inadequate coverage can be disastrous if a loss occurs. Accurate building values facilitate appropriate allocation of contributions and can serve as a basis if proof-of-loss is required.

Property coverage benefits include a comprehensive property appraisal for all first year participants. Building values are then updated annually with physical inspections conducted every four years. This invaluable service is made available at no cost to members in the Property program. A full-scope appraisal provides the most accurate data and involves an on-site inspection of each building.

DUFF & PHELPS

The Fund partners with Duff & Phelps for its property and contents valuation services and products. Duff & Phelps is a leader in the valuation field and offers industry expertise, extensive experience serving large public entities, and advanced online technology.

Statement Of Insurable Values



TASB Risk Management Fund

Bldg ID	Building Name, Construction Type And Address	Date of Inspection	Scope of Service*	Year Built	Entry Alarm	Manual Fire Alarm	Auto Fire Alarm	Sprinkler	Avg. Story Height	Fires	Total Sq. Ft.	Building CRN	Contents CRN	Land Improv. CRN
Member: 100000 SAMPLE INDEPENDENT SCHOOL DISTRICT														
Site: 001 MAIN CAMPUS														
1A	OLD MAIN HIGH SCHOOL BUILDING 4 - MASONRY NON-COMBUSTIBLE (100 %), Street address City, State, Zip Latitude: N 31-53-00.7 Longitude: W 097-04-36.2	1/7/2013	T	1968	Y	N	N	N	11	1	15,004	1,843,683	202,152	0
1B	MAIN CLASSROOM BUILDING 3 - NON-COMBUSTIBLE (70 %), 4 - MASONRY NON-COMBUSTIBLE (30 %), Street address City, State, Zip Latitude: N 31-53-00.3 Longitude: W 097-04-35.4	1/7/2013	T	1951	Y	Y	Y	N	13	1	32,690	4,093,168	633,136	0
1C	MAINTENANCE BUILDING 1 - FRAME (100 %), Street address City, State, Zip Latitude: N 31-53-03.5 Longitude: W 097-04-34.8	1/7/2013	T	1947	N	N	N	N	12	1	2,660	209,824	25,854	0
1D	GYMNASIUM BUILDING 3 - NON-COMBUSTIBLE (100 %), Street address City, State, Zip Latitude: N 31-52-58.7 Longitude: W 097-04-37.7	1/7/2013	T	1966	Y	Y	Y	N	20	1	21,375	2,663,808	123,138	0
1E	CAFETERIA BUILDING 3 - NON-COMBUSTIBLE (100 %), Street address City, State, Zip Latitude: N 31-52-58.0 Longitude: W 097-04-36.8	1/7/2013	T	1984	Y	Y	Y	N	14	1	5,252	667,815	106,720	0

*The scope of service is defined in the TASB Risk Management Fund. For more information, please contact Duff & Phelps at 1-800-368-4444 or visit our website at www.duffandphelps.com. See also the TASB Risk Management Fund. See also the TASB Risk Management Fund.

This Report may contain information or claims which have been prepared under the highest degree of care. This should not be considered an opinion of value by Duff & Phelps. It is not intended to be used for any other purpose. It should not be relied upon for any other purpose.

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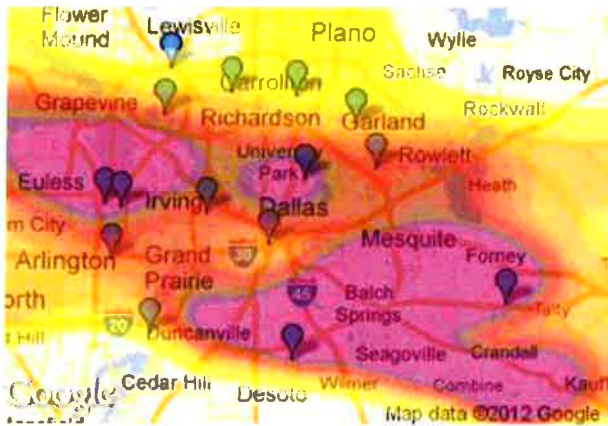
HailAlert Technologies

The Fund partners with HailAlert Technologies to provide faster, more effective service to members when a hail event has occurred. HailFlash uses geo-coded weather radar data and a proprietary hail-detecting algorithm to pinpoint exactly when and where hail has been detected.

HailFlash tracks hail activity at every location covered by the Fund's Property program and reports within 24 hours on any hail activity at that location. HailFlash will report the exact date, location, and size of hail detected. TASB Risk Management Services staff will contact members who have experienced a hail event to determine if any damage has occurred.

Early detection and inspection reduces the risk of damage going undetected until it deteriorates and repair costs increase significantly. Because hail storms cannot be predicted or prevented, the Fund is focusing on early reporting and response as a way to reduce members' costs from hail damage.

Sample hail map with pinpoint locations. Courtesy of HailAlert Technologies



Stephenville Independent School District



School Liability

The Fund's School Liability program combines General Liability and Professional Legal Liability coverages.

All liability coverage is subject to the terms and conditions as stated in the CCS and Coverage Agreements. Refer to the CCS for General Liability, Employee Benefits Liability, and Professional Legal Liability limits.

A Covered Person means the Fund Member; any trustee, school board member, student teacher, or volunteer while such Covered Persons are acting within the course and scope of their duties; or employee of the Fund Member, including students, while such Covered Persons are acting within the course and scope of the duties of their employment. School district students who are participating in approved offsite Career and Technology (CTE) programs are now also considered a covered person. Under General Liability coverage only, any student while operating Fund Member-owned self-propelled motor-driven equipment at the direction of a Fund Member employee acting within the course and scope of the employee's employment is also a covered person. Members may need to purchase additional standalone coverage to meet vendor requirements.

The Fund reserves the right to select counsel from its panel of school attorneys. Input from the member is taken into consideration when making this selection.

General Liability

The Fund's General Liability coverage includes Bodily Injury, Property Damage, Personal Injury Liability (coverage for libel, slander, humiliation, mental anguish, etc.) and Employee Benefits Liability (coverage for liabilities arising from the administration of the Fund Member's employee benefits plan or program).

Coverage is provided with a per occurrence limit and no applicable annual aggregate.

Liability arising from the use of mobile equipment that is not licensed for use on a public road is covered under General Liability.

It should be noted that all claims relating to bodily injury or property damage will be responded to by assertion of immunity in accordance with the Texas Tort Claims Act.

The Employee Benefits Liability coverage limit is \$100,000 per occurrence for those sums a Covered Person becomes legally obligated to pay as Damages arising out of any negligent act or omission committed in the Administration of the Fund Member's Employee Benefits Program during the Participation Period.

Professional Legal Liability

The Fund's Professional Legal Liability program provides claims-made coverage for Wrongful Acts provided the Claim is made and reported to the Fund during the Participation Period.

Wrongful Acts

A Wrongful Act means any actual or alleged act or omission by a Covered Person in the performance of duties for the Fund Member, that results in a claim being made. Claim means any demand for monetary or non-pecuniary relief that results in litigation or in which litigation is reasonably anticipated.

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Examples of Wrongful Acts include the following issues:

- Violation of constitutional and civil rights
- Bodily injury arising out of student discipline or punishment administered by a Covered Person
- Sexual harassment, abuse and molestation
- Employment discrimination
- Special education

A Wrongful Act includes coverage for Prior Acts with no applicable retroactive date. All coverage is subject to the terms, conditions, and exclusions of the Coverage Agreement.

Law Enforcement Liability

A separate Law Enforcement Liability quote has not been provided. The Fund's coverage does not exclude law enforcement officers from coverage if they meet the definition of a "Covered Person." If the officers are employees of the member and are not on a contracted basis, they would be considered a Covered Person and coverage would apply to them. Should the officers be contracted from another company, coverage will apply to the member if named in a suit, subject to the terms, conditions, and exclusions of the Coverage Agreement.

Extended Reporting Period

The Fund may offer an Extended Reporting Period under our Professional Legal Liability. The contribution is determined at the time of cancellation or non-renewal. Extended Reporting Period coverage is subject to the terms, conditions, and exclusions of this Coverage Agreement.

General School Liability Exclusions:

(coverages not available with the Fund)

- Coverage for property damage to products or work is excluded.
- Coverage is not provided for fire legal liability due to the immunity granted under the Texas Tort Claims Act from property damage liability.
- Coverage for medical payments is not covered, as the Texas Attorney General Opinion H-602 (copy enclosed) has identified medical payments coverage as an unconstitutional gift of public funds. The Fund does have a duty to defend in the event the member is sued.
- Coverage for contractual liability and breach of contract is not covered under General Liability or Professional Legal Liability. This exclusion does not apply to the liability that a Covered Person would have in the absence of a contract or agreement, nor does it apply to a misappropriation of advertising ideas under an implied but not written contract. This exclusion doesn't apply to claims expenses incurred by a member in defending a claims by an employee against the member for breach of that employee's employment contract. However, this exclusion does apply to any Damages which may be awarded for such a claims.
- Exemplary (punitive) damages are excluded.
- Student Accident and Athletic Participation coverage is not included. The Fund member may be provided with legal defense in connection with a lawsuit subject to the terms, conditions, and exclusions of the Coverage Agreement.



Professional Legal Liability Exclusions:

(coverages not available with the Fund)

- Damages, expenses, or demands arising from Texas Education Agency hearings or other administrative hearings. Coverage may be provided when and if a hearing results in a lawsuit. If that occurs, defense coverage will be provided depending on the specific allegations of the suit.
- Coverage does not apply to any claims or occurrences once it is clearly established that the Covered Person intentionally engaged in or committed unlawful, dishonest, fraudulent, criminal, or malicious acts; or intentional acts, errors or omissions; or acts involving deliberate indifference; or acts involving violations of constitutional or civil rights; or has violated, or intentionally disregarded, any law, regulation, common law, school policy or directive, if such act was committed by, or with the consent of, a Covered Person.

Privacy and Information Security Coverage

Privacy and Information coverage provides protection for costs that Fund Members may incur in the event of a data or privacy incident. This coverage is provided at no additional cost to Property and Liability members.

The Fund partners with Beazley, one of the world's premiere providers of data incident response services.

Coverage Benefits:

- Coverage for costs associated with notification of up to 10,000 individuals affected by a breach
- \$100,000 for costs for computer expert services, legal services, call center services, public relations consultancy services, credit or identity monitoring services, cyber extortion loss, fraudulent instruction loss, telecommunications fraud, data protection loss and business interruption loss; and
- \$100,000 for claims expenses, damages or penalties related to information security, privacy liability and website media content liability, and regulatory and defense penalties or Payment Card Industry (PCI) fines; and
- Access to a panel of response providers (notification and credit monitoring services, public relations assistance, computer forensics, etc.)
- Coverage provided with no deductible and no additional contribution
- Cannot be purchased as a stand-alone coverage

For complete Privacy and Information Security coverages and conditions, refer to the Fund's Privacy and Information Security Coverage Agreement.



Automobile

The Fund's Automobile program provides both Automobile Liability and Automobile Physical Damage coverages.

Auto Liability

The Fund's Automobile Liability provides coverage if a Covered Person becomes legally obligated to pay for Damages arising out of an Occurrence related to the ownership, maintenance, or use, including loading and unloading, of any Covered Automobile that takes place during the Participation Period because of Bodily Injury or Property Damage.

- The Automobile Liability deductible applies on a per occurrence basis.
- Liability arising from the use of mobile equipment that is licensed for use on a public road is covered under Automobile Liability.

Auto Physical Damage

Automobile Physical Damage (APD) provides coverage for losses to Covered Automobiles occurring during the Participation Period.

APD includes the following types of coverages:

- **Collision:** Provides coverage for damage to a Covered Automobile caused by a collision with an object or another vehicle; or
- **Comprehensive:** Provides coverage for physical damage resulting from a loss by a cause other than Collision

The Automobile Physical Damage deductible applies on a per vehicle basis.

Damage to mobile equipment that is licensed for use on a public road is covered under Automobile Physical Damage.

Regarding Hired and Non-Owned Automobiles:

- Auto Liability and Auto Physical Damage coverage will apply to Automobiles that are commercially leased or rented by the Fund Member for member-related activities where coverage is required under the written lease or rental agreement, or borrowed by the member for member-related activities. If the Automobile is leased, rented, or borrowed for a period of less than 30 days, the Automobile shall be considered a Covered Automobile only for Auto Liability coverage. If for 30 days or more, the Automobile shall be considered a Covered Automobile under the Auto Liability and Auto Physical Damage coverages.
- Auto Liability coverage is excess over any other coverage or insurance available to a Covered Person for claims involving Covered Automobiles that are not owned by the Fund Member or leased under long-term written contract by the Fund Member.

Automatic coverage is provided for Substitute and Newly Acquired Vehicles utilizing the Fund Member's existing coverages.

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Automobile Exclusions: (coverages not available with the Fund)

- The Fund does not provide coverage for Uninsured/Underinsured Motorists (UM/UIM), Personal Injury Protection (PIP), Medical Payments (Med Pay), or other no-fault coverage as per the Attorney General Opinion No. H-602 (copy enclosed). This opinion states, "The purchase of either Personal Injury Protection coverage or Uninsured Motorist coverage by an independent school district with local district maintenance funds would be unconstitutional."
- The Fund does not offer Garagekeepers Liability coverage. Claims of this nature would fall under the General Liability coverage of the School Liability Coverage Agreement and immunity provided from the Texas Tort Claims Act would apply.
- Damages or Claims Expense arising out of the ownership, maintenance, operation, use, loading or unloading of any Automobile in violation of any state or federal law or regulation specifically addressing safety in the transportation of students.

For a complete explanation of Automobile coverages, terms, conditions, limits, and exclusions that may apply, please refer to the enclosed CCS and Automobile Coverage Agreements.

Vehicle Log Services

DUFF & PHELPS

Duff & Phelps features a vehicle inventory maintenance program for Fund Auto program members. Maintaining an updated "vehicle log" is the member's responsibility. Through the Fund's partnership with Duff & Phelps, vehicle logs are maintained electronically under the tab labeled "vehicles" on the Duff & Phelps Website (erisk.duffandphelps.com).

Some of the online functions include:

- Maintain vehicle inventory
- Export vehicle data to an Excel file for internal use or as a simple PDF
- Filter data elements and selection criteria for an exact result or range

Internet-based system features allow members the ability to make changes directly to their vehicle logs via the online tools.



Claims Administration

Claims Reporting

Claims can be reported through the Fund Website (tasbrmf.org). Accidents and property claims that occur after normal business hours or on weekends, can be reported by calling 800.482.7276. Claims staff are on call at all times.

Fund members can add relevant claims information to the form, review, edit, and save the details before claims is submitted. This assures members a prompt response and expeditious claims handling service.

Claims Administration Services

Claims administration services are administered by responsive and knowledgeable TASB staff who are experienced in the handling of Auto, Liability, and Property claims.

In-house Subrogation Recoveries

Subrogation investigation is included during the initial claims process and is handled in-house. Adjusters are trained and skilled in investigating and identifying cases in which there is potential for recovery from liable third parties. A dedicated subrogation specialist is assigned to pursue subrogation to its fullest extent. The Fund utilizes law firms with proven track records in subrogation recoveries if litigation becomes necessary.

Expert Attorney Panel

If a claims reaches lawsuit stage, the case will be assigned to expert counsel from the Fund's approved attorney panel.

The advantages of the attorney panel include:

- Representation from experts in dealing with legal issues unique to school districts
- Benefit of attorneys who already have strong relationships with TASB claims representatives
- Established streamlined workflow that allows for efficient claims handling, budgeting, billing, and document sharing

Report Claims Online

- Report a claim at any time.
- Submit online claims forms automatically to claims staff.
- Edit and review claim information before submission.
- E-mail pictures, police reports, and other investigative documents.



Loss Prevention Services and Training

The Fund is focused on reducing risk exposure and costs through comprehensive risk solutions that include consultations, training, and workplace surveys. The Risk Management Risk Solutions division brings members an array risk management solutions aimed at preventing injuries, property damage, auto accidents, and other losses. With a commitment to service, Risk Management Risk Solutions staff go beyond routine inspections and recommendations.

Automobile, Property, and Workers' Compensation pool members are placed on a tailored service plan and assigned to a dedicated risk solutions consultant who assists with initiatives to protect valuable district resources. Consultants help members identify, remedy, and prevent workplace hazardous conditions that could result in injury and/or loss.

Loss prevention services are fine-tuned to serve members' needs with innovative programs that keep pace with changing work environments and technological developments. Risk solutions consultants are experienced professionals dedicated to developing confidence, trust, and long-lasting relationships with members.

Members of the Workers' Compensation Administrative Services Only (ASO) program have an option to purchase the loss prevention package outlined in the CCS. Automobile, Liability, Property, and Workers' Compensation Pool and Aggregate program members receive the following assistance to plan, coordinate, and implement loss prevention programs.

Consultations

Consultations are driven by individual member needs and requests for assistance.

In-house Loss Prevention Credentials

- Occupational Health and Safety Technologist (OHST)
- Certified Professional Environmental Auditor (CPEA) and Certified US Department of Transportation (DOT) Bus Collision Investigation Course Instructor
- Asbestos Management Planner & Mold Assessment Consultant
- FEMA Certified Multi-Hazard Emergency Planner
- FEMA Certified NIMS Trainer

Consultations can be provided through a variety of formats, including face-to-face, email, or phone.

Hazard Surveys

Risk solutions consultants provide workplace exposure or hazard surveys to members. Consultants are experts in school district risks and understand the importance of identifying hazards and their impact if not mitigated effectively. Risk Management Risk Solutions staff offer value-added solutions designed to eliminate or reduce exposures.

Safety SCHOLAR Program

The SCHOLAR Program is a risk management process that utilizes the Fund's seven step Accident Prevention Plan. It establishes a sustainable, organization-wide management system to support members' efforts to raise safety awareness, create safer work environments, and reduce work-related accidents, injuries, and associated costs.

Training Programs

The Fund provides school-specific workshops, seminars and other training covering safety topics relevant to Fund member coverage programs. Services are tailored to the individual needs of the member.

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Multi-Member Training

The Fund provides regionally-based training sessions approximately four times a year. These sessions take place over one to two days and cover a variety of topics. Two commonly requested topics are:

Vehicle Collision Investigation Course

Designed to help members understand the terms and requirements for effective collision investigations, this course instructs transportation directors and supervisors in collecting information at bus/vehicle collisions, determining the root cause factors, preventing reoccurrence, and supporting the district in the case of legal action.

Loss Prevention Coordinator Course

This course is designed to provide loss prevention knowledge and tools to educate professionals who work on risk management or safety issues. The course covers a variety of subjects such as incident investigation, implementing a training program, accident prevention plans, and conducting workplace inspections.

Special Risks and Resources

Risk Management Risk Solutions includes a small team of consultants that focus on special risks. The special risks consultants work in conjunction with the member's risk solutions consultants to provide comprehensive risk management consulting and services.

Emergency Management and School Security Services

The Emergency Management and School Security Program provides members access to training, resources, and support to help them build a quality emergency management and school security program. Some of the services offered include support with planning, drills, exercises, and hazard and risk analysis. Training is also available on emergency operations planning, functional and hazard specific annexes, crisis communication, hazard

and risk analysis, and school continuity of operations. When schools are part of the emergency preparedness process, the entire community benefits.

Workers' Compensation

Worker's Compensation members have access to training and resources covering employer responsibilities, First Report of Injury (FROI) reporting, wage statements, modified duty, and other topics.

Emerging Risks

The Fund is committed to providing training and resources to meet members' evolving needs. The Risk Solutions division provides resources, training, and consultation on emerging risks related to data privacy and legal liability to members of those programs.

Online Resources

Other resources available for members include a loss prevention manual, safety training handouts and employee safety handbooks for various workgroups (English and Spanish).

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Service Team

Fund Members may contact their Risk Management Consultant, Scot Parnell, for all service and program needs. The Consultant is also available to discuss other risk management programs offered by the Fund and will personally review and present all renewal documents related to the Auto, Liability, and Property program.

Scot Parnell, CSRM, Sr. Risk Management Consultant



Scot Parnell joined TASB in November 2001 as a risk management consultant. He began his insurance career in 1993 and has an extensive employee benefits background including John Life Insurance Company, Pacific Life and

Annuity, and Health Plan Services. Scot is a Certified School Risk Manager (CSRM) and a graduate of University of North Texas where he earned his BBA in marketing.

Scot resides in Weatherford and serves the Fort Worth Region. The counties in his territory include: Archer, Baylor, Callahan, Clay, Comanche, Cooke, Denton, Eastland, Erath, Foard, Hardeman, Hood, Jack, Johnson, Knox, Montague, Palo Pinto, Parker, Shackelford, Somervell, Stephens, Tarrant, Throckmorton, Wichita, Wilbarger, Wise and Young. Scot can be reached at scot.parnell@tasb.org or **800.482.7276 x2815**.

John Taaffe, Underwriting Technician



John Taaffe joined TASB in 2015 as an underwriting technician. He began his career in the insurance industry in 2007 working for Farmers Insurance in several positions, including underwriter, senior underwriter, and team leader. He also worked at the Texas FAIR Plan as an Underwriter. His responsibilities at TASB include preparing new business quotes and renewals, providing certificates of liability coverage, providing assistance to the underwriting team, and answering member questions. He received his BBA in Finance from Fort Hays State University in Hays, Kansas. John can be reached at john.taaffe@tasb.org or **800.482.7276 x2818**.

Carole Fowler, Sr. Underwriter



Carole Fowler joined TASB in April 1989 and is a multi-line underwriter. She underwrites and services all aspects of Auto, Liability, Property, and Workers' Compensation renewal processing, generating proposal responses, and assisting members with coverage issues. Carole has also worked at TASB as a property/casualty data specialist, business systems analyst and underwriting technician. She has worked in the property/casualty industry since 1981. Carole holds a BBA in Data Processing and Analysis from the University of Texas. She can be reached at carole.fowler@tasb.org or **800.482.7276 x2821**.

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Michelle Jennings, Assistant Division Director of Underwriting



Michelle Jennings joined TASB in February 2013, as the assistant division director of underwriting. Michelle brings more than 20 years of commercial property and casualty underwriting expertise and is responsible for managing all aspects of the Auto, Liability, Property, and Workers' Compensation programs, including funding and actuarial methodologies, renewal oversight for all accounts, generating proposal responses, and assisting members with coverage issues. Michelle manages a staff of six underwriting-related employees and can be reached at michelle.jennings@tasb.org or 800.482.7276 x3507.

Joanie Arrott, Risk Prevention Services Manager



Joanie began her career at TASB in the Environmental & Facilities Services division in July 2004 and joined TASB Risk Management Services as a senior loss prevention consultant in December 2009. She was promoted to risk prevention services manager in December 2017 and is temporarily responsible for providing risk solution services to Workers' Compensation, Property, and Liability members in ESC Region 13. Joanie is a licensed Asbestos Management Planner and Mold Assessment Consultant through the Texas Department of State Health Services and has a BS in environmental biology. Joanie can be reached at joanie.arrott@tasb.org or 800.482.7276 x2838.

Devereaux Morkunas, Special Risks and Resources Manager



Devereaux has a background in content development, research and data analysis. She began her career at TASB in the HR Services division in May 2007 and joined TASB Risk Management Services in September 2013 as a business support analyst. In that role, she led a number of high profile projects including the launch of several new initiatives. She joined the Risk Solutions division in January 2017, where she leads a team of special risks consultants and oversees the development of related resources and training. Devereaux has a master's degree in political science from the University of Arizona. Devereaux can be reached at devereaux.morkunas@tasb.org or 512.505.2826.

Jessica Clark, Data Privacy Consultant



Jessica is an industry-recognized security expert, speaker and trainer focused on engaging people to be the key element of secure organizations. She previously conducted specialized cyber security assessments and training in her work as a penetration tester and professional social engineer for government, law enforcement and private sector organizations. Before joining TASB, Jessica built risk management and security training programs for a number of Bay-area tech companies. While most recognized for her vulnerability research, her previous cybersecurity work also included threat modeling, supply chain management, policy development and process improvement. Jessica has a Bachelor's degree in English from the University of Georgia and holds both Open FAIR (Factors Analysis of Information Risk) and Ethical Hacker certifications. She can be reached at jessica.clark@tasb.org or 512.505.2893.

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Charli Searcy, Legal Liability Risk Consultant



Charli joined TASB Risk Management Services as the legal liability risk consultant in 2018. She is responsible for developing a training and education program

addressing legal liability risks in public education, such as Title IX, student matters, and employment-related issues. Charli has previously practiced as an attorney in Mississippi in several legal areas. She has a Bachelor of Arts in English from Jackson State University and a Juris Doctor from the University of Mississippi School of Law. She can be reached via e-mail at charli.searcy@tasb.org or 737.708.1137.

Nicole Callahan, Risk Solutions Consultant



Nicole Callahan joined TASB Risk Management Services as a Risk Solutions Consultant in April 2018. She is located in Rowlett and is responsible for providing risk

solution services to Worker's Compensation, Auto, Property & Liability members in ESC Regions 7, 8, 10, 11 & 12.

Nicole began her environmental career in 2002 by providing management and assistance to clients, consultants, and vendors, in developing solutions to a variety of minor to major issues. Her field service experience with public and private sectors ranges from plant decommissioning to high hazard emergency response. Nicole earned a BBA from Southeastern Oklahoma State University in Durant, OK, with a major in business management. She can be reached at nicole.callahan@tasb.org or 737.708.1136.

Melanie Moss, Emergency Management and School Security Consultant



Melanie joined TASB Risk Management Services as an emergency management and school security consultant in 2013. Melanie began her career in

emergency management in 2006 when she served as the public information and crisis communications coordinator for Williamson County providing support to schools districts in Williamson and Travis County. Melanie also worked for the Texas Department of Public Safety - Texas Division of Emergency Management (TDEM) in several positions including assistant public information officer, regional planner and state and federal planner. Melanie can be reached at melanie.moss@tasb.org or 800.482.7276 x2868.

Janina Flores, ARM, Director, Risk Management Risk Solutions



Janina Flores joined TASB Risk Management Services as division director of Risk Management Risk Solutions in October 2018. She brings more than 20 years of risk

management, risk pooling, loss control, operations and risk pool governance experience. Janina has worked in claims, loss prevention, human resources, and most recently as the loss prevention manager and director of pool administration at York Risk Services Group overseeing the operations of the Texas Council Risk Management Fund, a governmental risk pool serving the needs of mental health centers across the state.

Janina holds a master of business administration degree and an Associate in Risk Management (ARM) designation. Janina can be reached via e-mail at janina.flores@tasb.org or 800.482.7276 x 2833.

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Sarah Holguin, Claims Manager, Auto, Liability, Property Claims Administration



Sarah joined TASB in September 1995, and has been in the insurance industry since 1983. She has been supervising claims and managing claims staff since 1992.

Sarah has extensive experience in handling and supervising litigated claims including workers' compensation, bad faith, and liability cases. She currently holds a multi-line adjuster's license and manages adjusters who handle auto and general liability claims. Sarah can be reached at sarah.holguin@tasb.org or **800.482.7276 x3652**.

Robert Piña, Claims Manager, Auto, Liability, Property Claims Administration



Robert joined TASB in February 2017 but has been in the insurance industry since 1990. Robert started his career with the Allstate Insurance Company. He worked in

the Texas claims department for 21 years. Prior to coming to TASB, Robert worked for Texas Windstorm Insurance Association (TWIA) and Texas FAIR Plan Association (TFPA) as a senior manager in claims and underwriting. Robert manages adjusters who handle property claims. He can be reached at robert.pina@tasb.org or **800.482.7276 x3635**.

Marcy Barker, Claims Manager, Auto, Liability, Property Claims Administration



Marcy joined TASB in June 2001 and has been in the insurance industry since 1980, handling claims since 1986. She currently holds a multi-line adjuster's

license. Marcy has handled all types of claims and has extensive experience in handling litigated claims for school districts on matters involving employment disputes, state tort claims, and constitutional and civil rights violations. Marcy manages a school liability adjuster and handles her own caseload of school liability claims. Marcy can be reached at marcelina.barker@tasb.org or **855.295.8344**.

Troy Winslow, Division Director of Auto, Liability, Property Claims



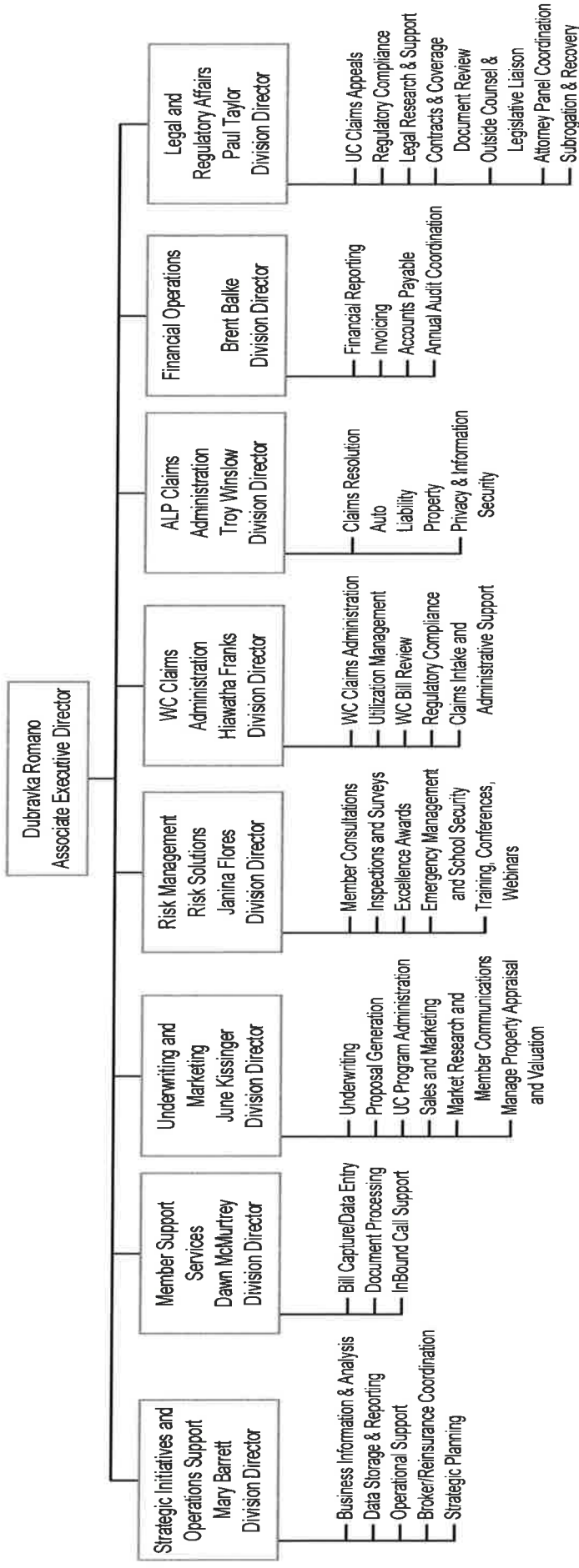
Troy joined TASB in November 2011 after working for State Farm for close to 20 years in various positions. Troy holds a law degree from Indiana University School of

Law and has obtained 12 professional designations, including the CPCU designation. In December 2014, he was promoted from the position of Auto, Liability, Property claims manager to division director of Auto, Liability, Property Claims Administration. In his current position, he manages claims adjusters and managers who handle auto, school liability, and property claims for the schools across Texas. Troy can be reached at troy.winslow@tasb.org or **800.482.7276 x2476**.

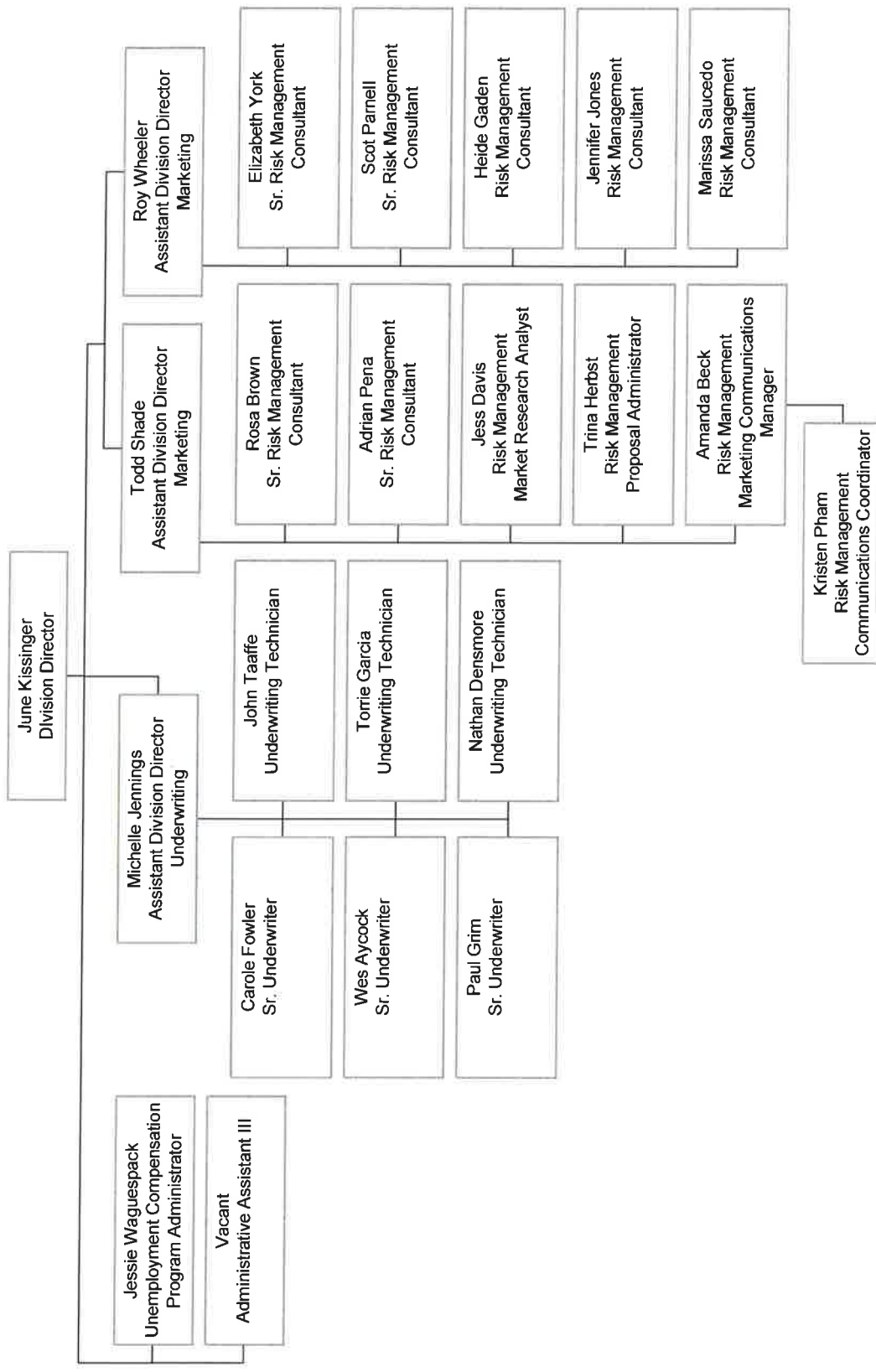


Organizational Charts

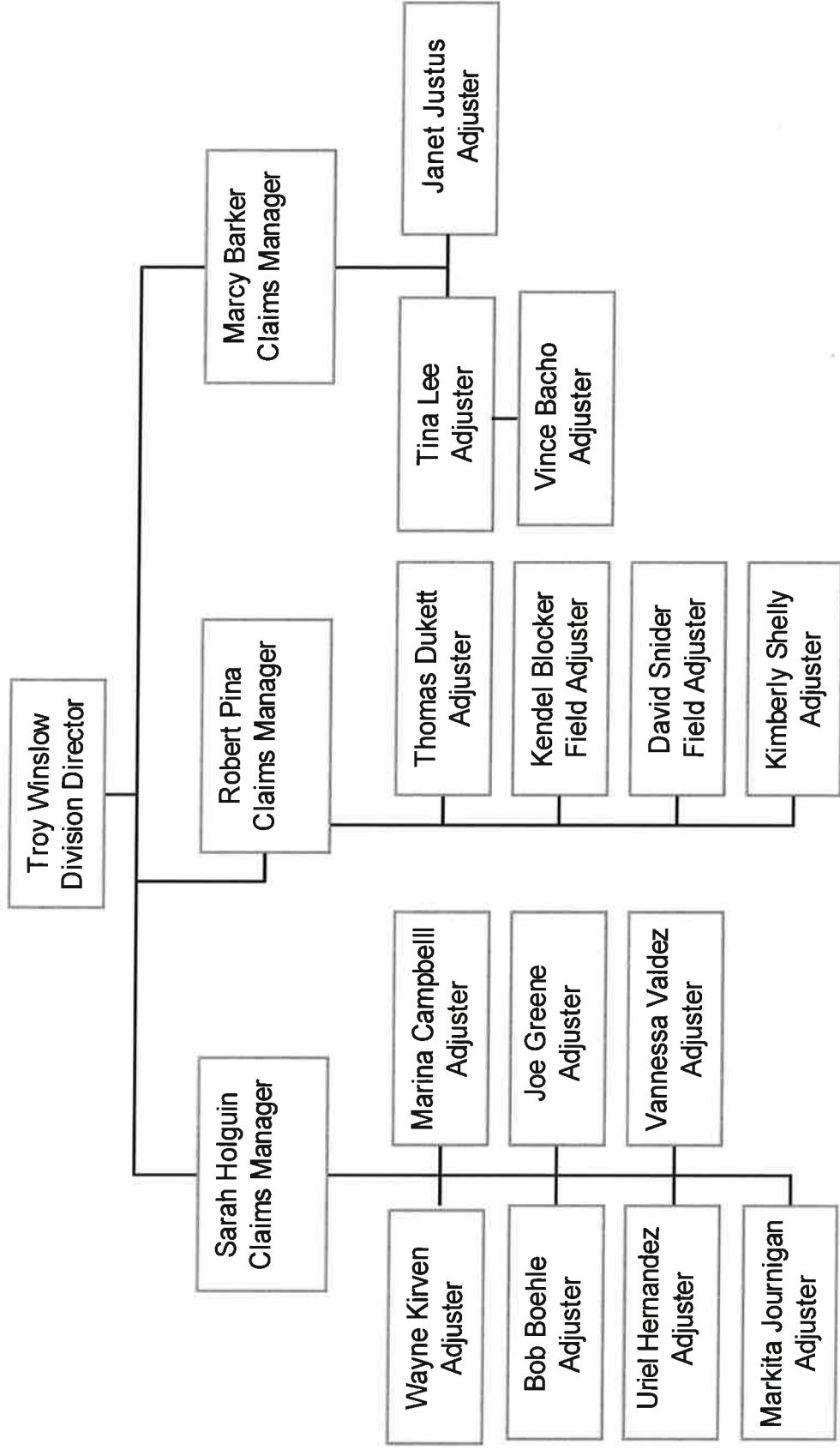
Risk Management Services



Marketing and Underwriting Program Administration



Auto, Liability, and Property Claims Administration



Stephenville Independent School District



Pricing & Contractual Documents

All coverage quoted is subject to the terms and conditions as stated in the enclosed Contribution and Coverage Summary (CCS), coverage agreement, and Interlocal Participation Agreement (IPA).

To place your coverage through the Fund, please execute and return the following document:

- Contribution & Coverage Summary (CCS)

If you would like pricing for specific coverage lines other than as proposed, please contact us to discuss available options.

The Contribution Coverage Summary (CCS) may be returned via e-mail to scot.parnell@tasb.org or tasbrmf@tasbrmf.org.



Stephenville ISD

Contribution & Coverage Summary (CCS)

Participation Period: March 1, 2019 through February 29, 2020			
PROPERTY Risk of Direct Physical Loss to Buildings, Personal Property, and Other Structures	Per Occurrence Limit	Deductible	Contribution
All Perils Except Wind, Hurricane, and Hail	Blanket Replacement Cost \$123,401,611	\$10,000	\$193,493
Wind, Hurricane, and Hail		\$250,000	Included
Flood	\$2,000,000	\$50,000	Included
Earthquake	\$2,000,000	\$50,000	Included
Crime	\$100,000	\$10,000	Included
Additional Sublimits and/or Deductibles			
Sublimit for Wind, Hurricane, and Hail Loss to single ply membrane roofs and accompanying roof systems; all other deductibles apply	\$1,000,000	\$250,000	Included
Additional deductible(s) for Wind, Hurricane, and Hail - \$100,000 per building over 25,000 square feet sustaining damage, up to a maximum deductible for the Occurrence of \$1,000,000, inclusive of the Wind, Hurricane, and Hail deductible	\$123,401,611	\$100,000	Included
Equipment Breakdown			
Equipment Breakdown	\$100,000,000	\$10,000	Included
SCHOOL LIABILITY	Per Claim/Occurrence Limit	Deductible	Contribution
Professional Legal Liability Subject to \$1,000,000 Maximum Annual Aggregate	\$1,000,000	\$5,000	\$12,767
General Liability	\$1,000,000	\$0	Included
Employee Benefits Liability	\$100,000	\$0	Included
PRIVACY & INFORMATION SECURITY		Deductible	Contribution
\$100,000 Limit for Privacy Liability \$100,000 Limit for Claim/Event Response Services Notification costs for up to 10,000 individuals		\$0	Included

AUTOMOBILE	Limit	Deductible	Contribution
Automobile Liability \$100,000 per Person Bodily Injury Limits/\$300,000 per Occurrence Bodily Injury Limits/\$100,000 per Occurrence Property Damage Limits	\$100/\$300/\$100	\$1,000	\$13,089
Automobile Physical Damage			\$12,338
Comprehensive	Actual Cash Value	\$1,000	Included
Collision	Actual Cash Value	\$1,000	Included
TOTAL CONTRIBUTION			\$231,687
<i>This is not an Invoice.</i>			

Conditions

Property

Named/Numbered Windstorm: The term "Named/Numbered Windstorm" is defined as all loss and damage directly caused by, resulting from or arising out of Windstorm as named or numbered by the National Weather Bureau, National Hurricane Center or any recognized meteorological authority, including but not limited to loss or damage caused by wind driven rain, flood, storm surge, wave wash, surface water, overflow of bodies of water, or spray from any of these.

The term "Tier 1" shall mean the Texas Counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio and Willacy.

The term "Tier 2" shall mean the Texas Counties of Bee, Brooks, Fort Bend, Goliad, Hardin, Hidalgo, Jasper, Jim Wells, Liberty, Live Oak, Newton, Orange, Victoria and Wharton.

The term "Harris County" shall mean the Texas County of Harris.

Location: A single street address where Covered Property is sited.

Flood Zone Exclusions: As to the Flood endorsement, Fund Member properties are excluded from coverage if they are located in certain Special Flood Hazard Areas (SFHA) identified on the Flood Insurance Rate Map. Fund Member property in the following SFHAs are excluded: Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-30, Zone AR/A, Zone AR/AH, Zone V, Zone VE, Zone VO, and Zones V1-V30. Fund Members with such properties should seek coverage under the National Flood Insurance Program (NFIP) or other Flood Program.

Other Limits: If more than one Per Occurrence Limit may be applicable, the Fund shall determine which limit will apply.

Statement of Values: Fund Member has provided the Fund with the most current and accurate statement of values for all applicable property, including a complete and accurate listing of vehicles owned by the Fund Member. Fund Member agrees to allow the Fund to conduct property appraisals of the Fund Member's property on a periodic basis and agrees to accept values provided by the Fund.

Salvage: The Fund will have the right, in its sole discretion, to exercise rights of salvage to any damaged property paid for or replaced under the terms of this Agreement.

Claims Reporting: Fund Member will provide to the Fund timely notice of all claims as required in the Interlocal Participation Agreement and the Fund's Coverage Agreement.

Single Ply Membrane: 'Single Ply Membrane' is synthetic roofing material that includes but is not limited to EPDM, TPO, and PVC membranes.

Liability

Prior Acts: Fund Member certifies that all known or reported acts for which it is reasonably believed may result in a legal claim against the Member, have been fully disclosed. Additionally, Fund Member acknowledges that this coverage excludes any claims arising from such known or reported acts. This Agreement does not void coverage afforded to Fund Member under any previous Fund Agreement.

Claims Reporting: Fund Member will provide to the Fund timely notice of all claims as required in the Interlocal Participation Agreement and the Fund's Coverage Agreement.

Automobile

Statement of Values: Fund Member has provided the Fund with the most current and accurate statement of values for all applicable property, including a complete and accurate listing of vehicles owned by the Fund Member. Fund Member agrees to allow the Fund to conduct property appraisals of the Fund Member's property on a periodic basis and agrees to accept values provided by the Fund.

Salvage: The Fund will have the right, in its sole discretion, to exercise rights of salvage to any damaged property paid for or replaced under the terms of this Agreement.

Claims Reporting: Fund Member will provide to the Fund timely notice of all claims as required in the Interlocal Participation Agreement and the Fund's Coverage Agreement

General

Coverage: Coverage terms and limits provided are as set out in this CCS and the Fund's Coverage Agreement for this participation period.

Definitions: Any terms not defined in this CCS will use the definition for that term from the corresponding Fund coverage agreement.

Payment: The Fund Member agrees to pay contributions based on a plan developed by the Fund. All contributions are payable upon receipt of an invoice from the Fund. The Fund shall determine the applicable program for each contribution. Termination under this Agreement of any program shall not affect the remaining programs.

Termination: This CCS may be terminated by either party with termination to be effective on any successive renewal date by giving written notice to the other party no later than 30 days prior to automatic renewal in accordance with Section 4(a) of the Interlocal Participation Agreement. If this CCS is not terminated, the renewal CCS becomes effective on the automatic renewal date and the member shall be bound by the terms of the renewal CCS.

Program Coordinators

Coordinator:

The Fund Member is required to designate a Program Coordinator (Coordinator) with express authority to represent and bind the Fund Member in all program matters. Below are the current program coordinators as we have listed.

Property - Julie Griffin

Liability - Julie Griffin

Automobile - Julie Griffin

If a Coordinator's name and contact information is not provided above, the current designated Coordinator and contact information will need to be completed below:

Program	Name	Title	Address	Phone	Email
Property					
Liability					
Automobile					

Fund Member Authorization:

I approve this Contribution and Coverage Summary (CCS) and certify that this information is correct. I affirm that I am duly authorized to approve this CCS and that I have read and agree to this CCS and the Interlocal Participation Agreement.

Authorized signature

Date

Printed name

Title



Coverage Agreements

Summary of Coverage Agreement Changes, Enhancements and Clarifications

Effective Sept. 1, 2018

As a part of the annual Coverage Agreement review, the TASB Risk Management Fund (Fund) is implementing the following coverage changes, enhancements, and clarifications for all renewals taking effect on or after September 1, 2018. This is a summary of changes only; please carefully review the full text of all Fund Coverage Agreements.

Property Coverage Changes

- The agreement will include (under Part F, II.) a condition precedent to coverage that the Fund Member gives the Fund notice of a Loss no more than 365 days from the date of the Occurrence. No coverage would be available to the Fund Member if the notice is beyond 365 days.
- A condition was added (under Part F, III.) that the Fund Member agrees to regularly inspect and maintain all Covered Property. If the failure to do so results in a greater Loss than would have otherwise occurred with proper maintenance, coverage may be denied. The Fund may request a copy of the Fund Member's logs to verify compliance.
- A clarification was added (under Part A, III.A.) to the definition of Loss to include "Aesthetic Impairment."
- The definition of "Aesthetic Impairment" has been moved to Part A, III.C., but is otherwise unchanged.
- A clarification was added to Part C, I.A., that all sublimited coverages are still within the overall limits of the Property coverage.

School Liability Coverage Changes

- A clarification was added to the definition of Covered Person (under Part A, IV.A.) that coverage for K-12 students for Fund Member approved career and technology programs is for General Liability coverage only.
- A clarification was added to the definition of Covered Person (under Part A, IV.A.) that all students have coverage under General Liability coverage while operating mobile equipment at the direction of a Fund Member employee.
- A clarification was added (under Part B, V.) that the Maximum Annual Aggregate for Professional Legal Liability coverage is calculated based on the Claims reported during that Participation Period.
- A clarification was added (under Part F, II.P.) that students are not excluded if they are otherwise a Covered Person.

Auto Liability & Physical Damage Coverage Changes

- A clarification was added (under Part A, IV.B.2.) that only commercially leased or rented automobiles will be considered a Covered Automobile.

AUTOMOBILE LIABILITY & PHYSICAL DAMAGE COVERAGE AGREEMENT

PART A GENERAL

- I. The TASB Risk Management Fund (Fund) provides coverage as outlined in this Automobile Liability & Physical Damage Coverage Agreement. This coverage is contingent on full compliance with the provisions contained in this Coverage Agreement, the Contribution and Coverage Summary (CCS) and any other participation documents or agreements between the Fund and the Fund Member.
- II. This document is not a contract of insurance. The Fund is not an insurance company. Rather, this Coverage Agreement is an agreement between the Fund and the Fund Member to pay all covered losses subject to all provisions, including the definitions, terms, conditions, exclusions, deductibles and limits of liability of this Coverage Agreement and any other participation documents. You should read the entire Automobile Liability & Physical Damage Coverage Agreement to determine what is and what is not covered. Certain provisions contained in this Automobile Liability & Physical Damage Coverage Agreement will exclude, limit or restrict coverage. The terms and definitions of this Automobile Liability & Physical Damage Coverage Agreement only apply to this Coverage Agreement and do not apply to other Fund coverage agreements.
- III. The Fund, in its sole discretion, shall determine which coverage applies, if any, when a claim is reported to the Fund.
- IV. The following bolded terms are defined and applicable throughout this entire Coverage Agreement:
 - A. **Automobile** means any of the following that are registered for use on public roads: automobiles and motor vehicles, trailers, semi-trailers, or any self-propelled motor driven equipment. **Automobile** does not include self-propelled motor driven equipment that is not registered for use on public roads, such as lawnmowers, golf carts, all-terrain vehicles, forklifts, or tractors.
 - B. **Covered Automobile** means **Automobiles** that are:
 1. Owned by the Fund Member;
 2. Commercially leased or rented by the Fund Member for Fund Member related activities where coverage is required under the written lease or rental agreement, or borrowed by the Fund Member for Fund Member related activities. If the **Automobile** is leased, rented or borrowed for a period of less than 30 days, the **Automobile** shall be considered a **Covered Automobile** only under Part B of this Coverage Agreement. If for 30 days or more, the **Automobile** shall be considered a **Covered Automobile** under Part B and Part C of this Coverage Agreement; or
 3. Owned by a Covered Person, other than the Fund Member or a student, and while being used in course and scope of employment or duties on behalf of the Fund Member, under Part B only.
 - C. **Participation Period** means the effective dates of coverage under this Coverage Agreement as stated in the CCS.
- V. Any coverage under this Automobile Liability & Physical Damage Coverage Agreement only applies within the United States of America.



PART B
AUTOMOBILE LIABILITY COVERAGE

- I. The Fund will pay those sums the Covered Person becomes legally obligated to pay as Damages arising out of an Occurrence related to the ownership, maintenance, or use, including loading and unloading, of any **Covered Automobile** that takes place during the **Participation Period** because of Bodily Injury or Property Damage. The Fund will pay for Damages that are in excess of the deductible amount and within the limits of liability shown in the CCS. The limit of liability stated in the CCS will not be reduced by the amount of Claim Expense paid per Occurrence. The Fund Member will pay the deductible amount shown in the CCS for each Occurrence. The deductible shall apply to judgments, settlements and Claim Expense. The limit of coverage as stated in the CCS or in this Coverage Agreement is the maximum amount the Fund will pay for any single Occurrence regardless of the number of Covered Persons who are sued or made subject to a claim, or the number of persons or organizations making a claim arising out of the Occurrence.

- II. If a claim is within the Automobile Liability coverage provided by the Fund, the Fund, subject to its limit of liability, has the right and duty to defend any suit brought against a Covered Person and pay reasonable Claim Expense even if such action or suit is groundless, false, or fraudulent. The Fund has no duty to defend a Covered Person against any claim or suit seeking Damages to which this Automobile Liability coverage does not apply. The Fund's duty to defend or settle claims ends when the Automobile Liability coverage limits of liability have been exhausted.
 - A. Covered Persons means:
 1. the Fund Member;
 2. any trustee, school board member, student teacher, volunteer, or employee of the Fund Member, while such Covered Persons are acting within the course and scope of their duties or employment;
 3. any governmental entity and its employees while such employees are using a **Covered Automobile**, provided such use is with permission of the Fund Member, is for a Fund Member approved function, and a requirement for the Fund's Automobile Liability coverage exists by written contract between the Fund Member and the governmental entity; or
 4. students of the Fund Member, only while the student is operating a Fund Member-owned or leased **Covered Automobile** at the direction of a Fund Member employee acting within the course and scope of the employee's employment.
 - B. Damages means any amount, within the coverage limits, Covered Persons are legally obligated to pay. This includes settlements, judgments, related court costs, and interest on any judgment, unless otherwise excluded in this Coverage Agreement.
 - C. Occurrence means any event or series of events arising out of an accident resulting in Damages from Bodily Injury or Property Damage. It includes continuous or repeated exposure to the same conditions resulting in Damages from Bodily Injury or Property Damage that are neither intentional nor expected by the Covered Person.
 - D. Claim Expense means all Fund approved reasonable expenses arising from the investigation or defense of any claim. Claim Expense does not include non-Fund approved expenses or costs, including personal attorney fees or salaries of Covered Persons or any other governmental body.
 - E. Bodily Injury means bodily injury, sickness or disease, or death sustained by any person.

- F. **Property Damage** means physical injury to, or destruction of, tangible property belonging to others, including loss of use of the property whether or not it has been physically injured or destroyed.
- III. The maximum limits per person and per Occurrence as stated in the CCS is the maximum amount the Fund will pay for all claims arising out of an Occurrence.
- IV. The Fund Member, upon notice, shall reimburse the Fund for the deductible amount paid by the Fund for any claim.
- V. This coverage is excess over any other coverage or insurance available to a Covered Person for claims involving **Covered Automobiles** that are not owned by the Fund Member.
- VI. If the Fund Member leases or loans an owned **Covered Automobile** to a public school district or community college, this Part B liability coverage shall extend to the receiving entity and its employees for use of the **Covered Automobile** in the receiving entity's school related operations.
- VII. For any Occurrence that takes place outside of Texas and within the United States of America, the limits of coverage shall be increased to a combined single limit per Occurrence of \$1,000,000.

AUTOMOBILE LIABILITY COVERAGE
WHAT COVERAGE THE FUND WILL NOT PROVIDE

VIII. EXCLUSIONS—The Fund will not pay for:

- A. Damages or Claim Expense arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, including drones and Unmanned Aerial Vehicles.
- B. Damages or Claim Expense arising out of the ownership, maintenance, operation, use, loading or unloading of any **Automobile** in violation of any state or federal law or regulation specifically addressing safety in the transportation of students.
- C. Damages, costs or interest attributable to punitive or exemplary damages, or to multiple or additional damages intended as a penalty.
- D. Damages or Claim Expense for any Covered Person who has allegedly violated any criminal law that results in the filing or obtaining of a criminal charge, information or indictment against the Covered Person. The Fund shall be entitled to rely on extrinsic evidence to determine whether coverage applies.
- E. Damages or Claim Expense for any Covered Person once it has been established the person has engaged in malicious or intentional acts.
- F. Bodily Injury to any employee of the Fund Member in the course and scope of his employment by the Fund Member, or to any obligation of the Fund Member to indemnify another because of Damages arising out of such injury.
- G. Damages or Claim Expense for any entity or person operating a **Covered Automobile** who is in the business or occupation of selling, repairing, servicing, storing, or parking **Automobiles**, other than the Fund Member.



PART C
AUTOMOBILE PHYSICAL DAMAGE COVERAGE

- I. The Fund will pay for direct and accidental losses to **Covered Automobiles** occurring during the **Participation Period**. Coverage is provided under:
 - A. **COLLISION**—Collision provides coverage for damage to a **Covered Automobile** caused by a collision with an object or another vehicle; or
 - B. **COMPREHENSIVE**—Comprehensive provides coverage for physical damage resulting from a loss by a cause other than Collision.
- II. The Fund will pay for the loss to each **Covered Automobile** that is in excess of the deductible amount and within the limits of coverage shown in the CCS or in this Coverage Agreement. The deductible and limit will be applied separately to each **Covered Automobile**; if more than one Fund Member-owned or leased **Covered Automobiles** is involved in a Collision loss event, only one deductible applies, unless otherwise indicated by this Coverage Agreement. For loss to any one **Covered Automobile**, the Fund will pay the smaller of:
 - A. The actual cash value of the **Covered Automobile** at the time of loss; or
 - B. The actual and necessary cost to repair the **Covered Automobile** with materials of like kind and quality.
- III. In the event of a recovery of a stolen **Covered Automobile**, the Fund at its sole discretion will:
 - A. Return the stolen **Covered Automobile** to the Fund Member, with payment for any damage sustained as a result of the theft; or
 - B. Take possession of the damaged or stolen **Covered Automobile**.
- IV. The Fund will make supplementary payments for the following Fund Member expenses in the event of a covered loss for:
 - A. Reasonable storage, towing, and other accident-related charges; and
 - B. Rental expense, in the event of theft of a **Covered Automobile** of the private passenger type. The Fund will reimburse the expense incurred for the rental of a private passenger **Automobile** during the period commencing forty-eight hours after the theft has been reported to the Fund and the police. Reimbursement terminates when the **Covered Automobile** is returned to use or the Fund pays for the loss. Reimbursement for the rental will not exceed \$35 for any one day or \$1,050 total.

AUTOMOBILE PHYSICAL DAMAGE COVERAGE
WHAT COVERAGE THE FUND WILL NOT PROVIDE

- V. **EXCLUSIONS**—The Fund Will not pay for:
 - A. Loss that is a result of freezing, wear and tear, rust, inherent defect, faulty repair, mechanical or electrical breakdown unless the damage is the direct result of a covered loss.
 - B. Loss to tires on a **Covered Automobile** unless the loss is a direct result of a covered loss.



PART D
AUTOMOBILE LIABILITY & PHYSICAL DAMAGE COVERAGE
General Exclusions, Terms, Requirements, & Conditions

- I. Part D of this Coverage Agreement describes exclusions, terms, requirements, and conditions that apply to all coverage provided in this Coverage Agreement and are in addition to the exclusions, terms, requirements, and conditions described in Parts A, B and C of this Coverage Agreement.
- II. EXCLUSIONS—The Fund will not pay for:
- A. Loss, Damages, or Claim Expense arising out of a Covered Person operating a **Covered Automobile** in a manner for which it is legally prohibited for use.
 - B. Loss, Damages, or Claim Expense arising out of the ownership, maintenance, operation, use, loading or unloading of self-propelled motor driven equipment that is not registered for use on public roads.
 - C. Loss, Damages or Claim Expense arising out of:
 - 1. use, seizure or destruction of **Covered Automobile** by order of governmental authority;
 - 2. nuclear reaction or radiation, or radioactive contamination, regardless of cause;
 - 3. war, undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - 4. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
 - D. Loss, Damages or Claim Expense arising out of an Act of Terrorism or actions taken by any government branch or agency in response. This exclusion applies whether or not the Act of Terrorism was committed in concert with or on behalf of any organization or government. Act of Terrorism means any incident determined to be such by an official, department or agency that has been specifically authorized by federal statute to make such a determination.
 - E. Damages or Claim Expense arising out of any assumption of liability in a contract or agreement, or arising out of breach of any contract or agreement, including any claim sounding in tort for which is based directly or indirectly on a contractual obligation. This exclusion does not apply to liability that the Covered Person would have in the absence of a contract or agreement. This exclusion does not apply to contracts regarding the lease or rental of **Automobiles** by the Fund Member.
- III. OTHER INSURANCE OR COVERAGE
- A. If a claim is made that could be covered under more than one line of coverage offered by the Fund, the Fund will determine which line of coverage, limits and deductibles apply. It is the intention of this provision that there shall be no accumulation or stacking of coverage.
 - B. Coverage as provided by this Coverage Agreement shall always apply as excess over any other insurance or coverage that applies to a loss regardless of whether the other insurance or coverage applies on a primary, excess, or contingent coverage basis.



- C. If a loss covered by both this Coverage Agreement and other insurance or coverage applies on an excess basis, the Fund will not pay for a greater proportion of the loss than that stated in the applicable contribution provision below:
1. Contribution by Equal Shares—If all of the other insurance or coverage provides for contribution by equal shares, the Fund will not pay for a greater proportion of the loss than its equal share until the share of the other insurance or coverage or the Fund Member's limits equals the lowest applicable limit of liability under any of the coverage, or the full amount of the loss is paid. Any remaining amount of loss will be paid by any remaining Fund Member's limit of liability, until exhaustion, by continuing to contribute equal shares to the remaining amount of loss.
 2. Contributions by Limits—If all of the other insurance or coverage does not provide for contribution by equal shares to the loss, the Fund will pay the applicable Fund Member's limit of liability in proportion to the total limit of liability of all other insurance or coverage.

IV. FUND MEMBER'S and COVERED PERSONS DUTIES

- A. In the event of a loss, Occurrence, claim, or suit that may result in a claim the Fund Member or Covered Persons must:
1. Give the Fund notice of the loss, Occurrence, claim, or suit as soon as practicable, but in no event more than 30 days from the Covered Person's knowledge of the loss to the Fund;
 2. Provide in the notice to the Fund of the time, place, persons or witnesses involved, and the circumstances of the loss, Occurrence, claim, or suit. If failure to provide notice prejudices the Fund's defenses, there is no liability coverage under this Automobile Liability & Physical Damage Coverage Agreement;
 3. Immediately provide to the Fund copies of any demands, notices, summonses or legal papers received in connection with the claim or suit and authorize the Fund to obtain records and other information related to the claim or suit;
 4. Cooperate with the Fund and, upon the Fund's request, assist in investigation, defense and/or making settlement in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to Covered Persons because of Bodily Injury or Property Damage with respect to the coverage provided under this Automobile Liability & Physical Damage Coverage Agreement;
 5. Not, except at their own cost, voluntarily make any payment, assume any obligation or incur any expenses, nor shall the Covered Persons, after a loss, waive any rights of recovery of any party; and
 6. Give notice to the proper police authority if the loss or Occurrence involves a violation of a law.

V. AUTOMOBILE LIABILITY & PHYSICAL DAMAGE COVERAGE CONDITIONS

- A. Failure to comply with any or all of the terms, Duties, Conditions or requirements of this Coverage Agreement may result in a delay or denial of a claim or loss of coverage.
- B. Misrepresentation of any material fact, engagement in fraudulent acts, making false statements or failure to comply with reasonable Fund requests may result in loss of coverage.
- C. The Fund Member agrees to maintain a record of **Covered Automobiles** owned by the Fund Member. Upon request, the Fund Member will provide the record to the Fund.



- D. The Fund has sole authority in all matters pertaining to the administration of claims. All decisions on individual claims shall be made by the Fund or its designee, including, without limitation, decisions concerning claim values, payment due on the claim, settlement, subrogation, litigation, or appeals. Covered Persons shall not, except at their own cost, incur any costs, charges or expenses, or admit liability, assume any obligation or settle any claim without the written consent of the Fund. There can be no abandonment to the Fund of any **Covered Automobile** or other vehicles or property.
- E. The Fund will pay premiums on appeal bonds required in any suit and premiums on bonds to release attachments for claims covered under this Coverage Agreement, not to exceed the applicable limit of liability as stated in the CCS.
- F. The Fund will pay all reasonable expenses incurred at the Fund's request by a Covered Person.
- G. The limit per Occurrence as stated as in the CCS is the maximum amount the Fund will pay to all claimants arising out of one Occurrence for any loss covered under this Coverage Agreement regardless of the number of:
 - 1. Covered Persons who are sued or otherwise made subject to claims arising out of the Occurrence;
 - 2. Persons or organizations who sustain injury or Damages out of the Occurrence; or
 - 3. Claims or suits brought on account of the Occurrence.
- H. Any assignment by a Fund Member without written agreement of the Fund under this Coverage Agreement shall not bind the Fund.
- I. By acceptance of this Coverage Agreement, the Fund Member agrees to act on behalf of all Covered Persons with respect to the giving and receiving of notice of claim.
- J. No action shall be taken against the Fund, unless as a condition precedent, the Fund Member must have fully complied with all terms of this Coverage Agreement. No person has a right under this Coverage Agreement to join the Fund as a party or otherwise bring it into a suit filed against the Fund Member.

PROPERTY COVERAGE AGREEMENT

PART A GENERAL

- I. The TASB Risk Management Fund (Fund) provides coverage for risk of **Direct Physical Loss to Covered Property** as outlined in this Property Coverage Agreement. This coverage is contingent on full compliance with the provisions contained in this Property Coverage Agreement, Contribution and Coverage Summary (CCS), and any other participation documents or agreements between the Fund and the Fund Member.
- II. This document is not a contract of insurance. The Fund is not an insurance company. Rather, this Coverage Agreement is an agreement between the Fund and the Fund Member to pay all covered **Losses** subject to all provisions, including the definitions, terms, conditions, exclusions, deductibles and limits of liability of this Coverage Agreement, and any other participation documents. The Fund provides coverage for **Direct Physical Loss (Loss) to Covered Property** resulting from an **Occurrence** during the **Participation Period**, unless the **Loss** is excluded or the coverage is limited in this agreement or the CCS. You should read the entire Property Coverage Agreement to determine what is and what is not covered. Certain provisions contained in this Property Coverage Agreement will exclude, limit, or restrict coverage. The terms and definitions of this Property Coverage Agreement only apply to this Property Coverage Agreement and do not apply to other Fund coverage agreements. The Fund, in its sole discretion, shall determine to what extent, if any, coverage applies when a claim is reported to the Fund.
- III. The following bolded terms are defined and applicable throughout this entire Coverage Agreement:
 - A. **Direct Physical Loss (Loss)** means sudden, unanticipated and unforeseen **Damage** or **Aesthetic Impairment** resulting from an **Occurrence**.
 - B. **Damage** means physical harm to **Covered Property** that substantially reduces its ability to function. **Damage** does not include physical harm which does change the appearance of **Covered Property** but does not substantially reduce the service, usefulness, or utility of such **Covered Property**. Final determination of the service, usefulness, or utility of **Covered Property** shall be at the sole discretion of the Fund.
 - C. **Aesthetic Impairment** is not **Damage** but is physical harm that conspicuously and substantially disfigures **Covered Property** within an easily observable public view. Final determination of **Aesthetic Impairment** shall be at the sole discretion of the Fund.
 - D. **Occurrence** means any single incident or event; or, a series of related incidents or events resulting from the original **Occurrence**. However, an incident or event involving wind or hail that occurs during a continuous period of 72 hours shall be deemed a single **Occurrence**.
 - E. **Participation Period** means the effective dates of coverage under this Coverage Agreement as stated in the CCS.
 - F. **Covered Property** means the Fund Member's legal interest in **Building(s), Personal Property, and Other Structures** as outlined below:
 1. **Building(s)** means:
 - a. A permanent building structure;
 - b. Everything that is permanently part of the building;



- c. Additions and extensions attached to the building; and
 - d. Fixtures, machinery and equipment constituting a permanent part of, and pertaining to the service of, the building.
2. **Personal Property** means items or property owned by the Fund Member at any location. **Personal Property** includes but is not limited to:
- a. **Building** contents;
 - b. Furniture and fixtures;
 - c. Books and educational materials or other supplies;
 - d. Tools and sports equipment;
 - e. Landscape and maintenance equipment;
 - f. Electronic data processing equipment and media such as servers, computers, monitors, laptops, tablets, disc drives, discs, and other media on which data is stored;
 - g. Self-propelled motor driven equipment (such as lawnmowers, golf carts, all-terrain vehicles, forklifts or tractors) that is not registered for use on public roads; and
 - h. Personal property of others under the Fund Member's care, custody, and control through a written lease or rental agreement.
3. **Other Structures** means a structure, other than a **Building**, that is located outdoors and used in connection with the operations of the Fund Member. **Other Structures** include, but are not limited to:
- a. Portable buildings, sheds, covered walkways, and awnings;
 - b. Signs, whether or not attached to a **Building** or structure;
 - c. Stadiums and athletic fields, including bleachers, grandstands, and natural or artificial grass surfaces that serve as playing fields for school events;
 - d. Lights, lighting supports, and flagpoles;
 - e. Radio and television towers and antennas;
 - f. Playground equipment;
 - g. Fences or retaining walls not constituting a part of a **Building**; and
 - h. Swimming pools, including diving platforms and related equipment.
- G. **Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including but not limited to petroleum products, asbestos, smoke, vapor, lead, soot, fumes, acids, alkalis, electromagnetic radiation, **Mold**, chemicals, and waste. Waste includes but is not limited to materials to be recycled, reconditioned, or reclaimed.

- H. **Mold** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

PART B
PROPERTY COVERAGE

- I. The Fund will pay for the amount of the **Direct Physical Loss (Loss)** to **Covered Property** that is in excess of all applicable deductibles and within the limits of coverage shown in the CCS or this Property Coverage Agreement. All applicable deductibles will be applied separately to each **Occurrence**.
- A. The Fund will pay only the Actual Cash Value (ACV) for the **Covered Property** subjected to **Loss** until repair or replacement is completed. ACV is computed by subtracting the depreciation of the **Covered Property** subjected to **Loss** from the actual replacement cost, using material of like kind and quality, of the **Covered Property** at the time of **Loss**. Repair or replacement must be completed within 365 days after the date the **Loss** was reported to the Fund, unless an extension is requested in writing by the Fund Member and granted by the Fund. The written request must be made within 365 days of the date the **Loss** was reported to the Fund. If repairs are not made within 365 days, or an extension is not granted, the ACV payment will be the full and final payment for the **Loss**. Upon completion of repair or replacement, the Fund may pay an additional amount for replacement cost not to exceed the least of the following:
1. Limit(s) or sublimit(s) of liability under this Property Coverage Agreement or applicable CCS;
 2. The actual and necessary cost to repair or replace the **Covered Property** subjected to **Loss** with material of like kind and quality and for the same use and occupancy of the premises; or
 3. The amount actually and necessarily spent to repair or replace the **Covered Property** subjected to **Loss**.
- B. In no event will the Fund pay more than the actual cost incurred by the Fund Member to repair or replace the **Covered Property** subjected to **Loss** with material of like kind and quality, or the limits outlined in this Property Coverage Agreement and applicable CCS.

PART C
LIMITED COVERAGE, EXCLUDED COVERAGE, AND EXCLUDED LOSS

- I. The Fund will pay for **Loss** under Limited Coverage, Excluded Coverage or Excluded **Loss** as follows:
- A. For paragraphs notated as "Limited Coverage," the Fund will pay for a **Loss** that is in excess of all applicable deductible amounts, within the per **Occurrence** limit, within the sublimits and conditions described in that paragraph, and unless otherwise excluded:
1. **Limited Coverage—New construction or renovation of Buildings and Other Structures:** The Fund will pay up to \$1,000,000 for **Loss** to **Buildings** and **Other Structures** while under new construction and/or renovation by the Fund Member's employees. This limit applies to **Loss** arising from the work, materials, and activities related to the new construction or renovation, or any portion thereof, by the Fund Member's employees. Excluded **Loss** is **Loss** arising from new construction and/or renovation to **Buildings** and **Other Structures** under a written contract with others (or covered under any other insurance policy or coverage) arising from the work, materials, and activities related to the new construction and/or renovation, or any portion thereof, by others. Coverage under this paragraph does not extend to materials, supplies, tools, and equipment of others while located on the premises and/or intended for use during construction, unless otherwise covered under Part A, III.F.2.h.



2. Limited Coverage—Landscaping, athletic field surfaces or grass surfaces: The Fund will pay for **Loss** to landscaping, athletic field surfaces or grass surfaces as follows:
 - a. For landscaping, the Fund will pay up to \$1,000 for the removal and/or replacement for the total **Loss** of any single tree, shrub, or landscaping plant caused by vehicles, vandalism, theft, fire, wind, hail, or other covered weather-related **Occurrence**. The Fund will pay no more than \$25,000 for an **Occurrence** under this sub-paragraph, and this coverage does not apply to **Loss** resulting from disease, drought, heat, freezing, flood, maintenance, or lack of maintenance.
 - b. For athletic field surfaces (either natural or artificial) or grass surfaces, the Fund will pay for **Loss** unless caused by disease, drought, heat, freezing, flood, maintenance, or lack of maintenance.
3. Limited Coverage—Articles of art, statues, or antiques: The Fund will pay up to \$100,000 for **Loss** to art, statues, antiques, or other items of historical or sentimental value including but not limited to paintings, etchings, photographs, pictures, tapestries, antique furniture, rare and/or out-of-print books, antique silver, rare glassware, awards, or other rare or hard to replace items.
4. Limited Coverage—Debris removal: The Fund will pay for debris removal only if it arises out of an otherwise covered **Loss** to **Covered Property**. The limit of coverage for debris removal will be the reimbursement of actual cost up to 25 percent of the covered **Loss**.
5. Limited Coverage—Increased cost due to code enforcement or compliance: The Fund will pay an additional amount on an otherwise covered **Loss** to comply with any building or construction code, ordinance, or law that regulates repair, reconstruction, or demolition. The limit of this coverage will be the reimbursement of actual cost of such compliance up to 10 percent of the amount of the covered **Loss** per structure, not to exceed \$1,000,000 per **Occurrence**.
6. Limited Coverage—**Pollutant** clean-up: The Fund will pay up to \$100,000 to extract **Pollutants** from land or water located on Fund Member's **Covered Property** if the Fund Member incurs such expenses arising out of an otherwise covered **Loss**.
7. Limited Coverage—Electronic records and data: The Fund will pay up to \$50,000 for the actual cost of replacement or recovery of information stored on electronic data processing equipment and media, such as records, data, or software, resulting from a covered **Loss**.
8. Limited Coverage—Extra expense and loss in revenue: The Fund will pay up to \$500,000 to cover the actual costs incurred by the Fund Member for extra expense or loss in revenue resulting directly from the interruption of operations as a result of an otherwise covered **Loss**. Extra expense means additional costs that a Fund Member incurs to continue operations while its **Covered Property** is being repaired or replaced after a covered **Loss**. Loss in revenue means a reduction in income to the Fund Member from any source excluding state and federal funding, taxes, and public or private grants. The extra expense and loss in revenue limit cannot be used to pay for the cost of repairing or replacing any of the property or any consequential loss.
9. Limited Coverage—Food spoilage: The Fund will pay up to \$100,000 to cover the actual cost for replacement of food and beverage which is spoiled resulting from a covered **Loss**.
10. Limited Coverage—**Aesthetic Impairment**: The Fund will pay up to \$100,000 per **Occurrence** for physical harm considered an **Aesthetic Impairment** to **Covered Property** resulting from an otherwise covered **Loss**. In the event such **Aesthetic Impairment** affects

Covered Property that is a metal roof, the Member may elect to waive its right to the above payment in this paragraph, and instead be paid for the **Aesthetic Impairment** at 50% of final repair or replacement cost of a metal roof up to \$1,000,000 per **Occurrence**, with no Actual Cash Value payment available.

11. Limited Coverage—Valuable papers and records: The Fund will pay up to \$50,000 for **Loss** to vital records such as written, printed, or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages, and manuscripts, provided the documents were appropriately secured and maintained.
 12. Limited Coverage—Animals: The Fund will pay up to \$25,000 for **Loss** to livestock owned by the Fund Member. The Fund will not pay for **Loss** caused by illness or disease, neglectful care, or mysterious disappearance. The amount the Fund will pay will be based on the fair market value of comparable livestock at the time of **Loss**. The payment will not consider competitive livestock show value.
- B. For paragraphs notated as “Excluded Coverage,” the Fund does not provide coverage for the described property under this Property Coverage Agreement, unless otherwise indicated in that paragraph:
1. Excluded Coverage—Vacant **Buildings** or **Other Structure**: if a **Building** or **Other Structure** is vacant and the **Loss** is caused by arson, vandalism, sprinkler leakage, glass breakage, water, theft or attempted theft, coverage is excluded, unless coverage for the vacant **Building** or **Other Structure** has specifically been extended in writing by the Fund. “Vacant” means a **Building** or **Other Structure** is abandoned, is no longer capable of intended Fund Member operations, or is set for demolition. **Personal Property** within a vacant **Building** or **Other Structure** is excluded if **Loss** occurs under this paragraph.
 2. Excluded Coverage—Property sold by the Fund Member under conditional sale, trust agreement, installment plan, or other deferred payment plan after delivery to customers.
 3. Excluded Coverage—Accounts, bills, currency, deeds, evidences of debt, money or securities, furs, jewelry, precious metal, or precious stones, except as covered under Crime and Employee Dishonesty Endorsement.
 4. Excluded Coverage—Property of others, except personal property which is under the care, custody, and control of the Fund Member through a written lease or rental agreement.
 5. Excluded Coverage—Any self-propelled motor driven equipment registered for use on public roads; or any automobiles and motor vehicles, trailers or semi-trailers, whether registered or not.
 6. Excluded Coverage—Land.
 7. Excluded Coverage—Aircraft, motorized watercraft, including their motors, equipment, and accessories. This exclusion shall not apply to drones or Unmanned Aerial Vehicles.
 8. Excluded Coverage—Transmission and distribution lines of every type except when on the Fund Member’s premises.
 9. Excluded Coverage—Offshore oil rigs, platforms, and property contained thereon.
 10. Excluded Coverage—Dams or dikes.
 11. Excluded Coverage—Growing crops.

- C. For paragraphs notated as “Excluded **Loss**,” the Fund will not provide coverage for **Loss** caused directly or indirectly by the described **Occurrence**, unless otherwise indicated in that paragraph:
1. Excluded **Loss**—**Loss** caused by rain, snow, sand, or dust, whether driven by wind or not, unless the **Building** sustains a **Loss** to roof or walls resulting from an **Occurrence**.
 2. Excluded **Loss**—**Loss** caused by animals, birds, vermin, termites, or other insects.
 3. Excluded **Loss**—All **Losses** to **Covered Property** arising out of Named and Numbered Windstorm in counties located in Tier 1 and Tier 2 or in Harris County.
 4. Excluded **Loss**—**Loss** caused by flood, surface water, waves, tidal water or tidal wave, storm surge, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not.
 5. Excluded **Loss**—**Loss** caused by water below the surface of the ground, including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basements, pavement, windows, doors, or any other openings in **Covered Property**, unless an otherwise covered **Loss** ensues and then coverage will extend to the ensuing **Loss**.
 6. Excluded **Loss**—**Loss** caused by continuous or repeated seepage, leakage, penetration, transpiration, or intrusion of water or steam from a heating, air conditioning, or automatic fire protective sprinkler system, appliance or plumbing system.
 7. Excluded **Loss**—**Loss** caused by earth movement, including but not limited to earthquake, landslide, mudflow, or earth sinking, rising or shifting.
 8. Excluded **Loss**—**Loss** caused by settling, swelling, cracking, shrinkage, bulging, or expansion of pavements, foundations, walls, floors, roofs, or ceilings.
 9. Excluded **Loss**—**Loss** caused by faulty workmanship, use of faulty or defective materials or inadequate maintenance of part or all of any property on or off the described premises.
 10. Excluded **Loss**—**Loss** caused by faulty or inadequate planning, zoning, site preparation, development, design, remodeling, or construction.
 11. Excluded **Loss**—**Loss** caused by wear and tear, deterioration, rust, corrosion, erosion, wet or dry rot, or inherent or latent defect.
 12. Excluded **Loss**—**Loss** caused by delay, interruption of operations, or consequential loss of any nature, except as otherwise allowed by this coverage.
 13. Excluded **Loss**—**Loss** caused by mechanical breakdown, including rupture or bursting caused by centrifugal force.
 14. Excluded **Loss**—**Loss** caused by inherent defect, failure or breakdown of machinery or equipment, unless a covered **Loss** ensues. The Fund will pay for the resulting **Loss**, if any.
 15. Excluded **Loss**—**Loss** caused by events inside steam boilers, steam pipes, steam turbines, or steam engines, unless the **Loss** is caused by combustion explosion inside the equipment and the equipment is owned, leased, or operated by the Fund Member.

16. Excluded **Loss**—**Loss** caused by power, heating or cooling system failure due to the disruption of power or other utility service supplied to the Fund Member, unless the failure of service is a direct result of an otherwise covered **Loss**. However, the Fund will pay for the ensuing **Loss** to **Covered Property**.
17. Excluded **Loss**—**Loss** caused by artificially generated electrical currents, unless **Loss** by fire or explosion ensues. The Fund will pay for ensuing **Loss** if any.
18. Excluded **Loss**—**Loss** caused by smog, smoke, vapor, or gas from third-party agricultural or industrial operations.
19. Excluded **Loss**—**Loss** caused by, and expense from, the removal or other treatment of substances which are considered to be physically harmful to humans. This exclusion includes but is not limited to the removal of asbestos, **Mold**, chemicals, metals, or other sources of contamination, and whether such activities are voluntary, imposed by law or required by administrative rulings of a governmental agency.
20. Excluded **Loss**—**Loss** caused by, and expense from, **Mold** or other fungus. This includes, but is not limited to, any cost for testing, monitoring, repair, remediation, rebuilding, restoration or replacement due to **Mold** or other fungus.
21. Excluded **Loss**—**Loss** caused by, and expense from, the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of **Pollutants**, except as provided elsewhere in this Property Coverage Agreement.
22. Excluded **Loss**—**Loss** caused by nuclear reaction, nuclear radiation, or radioactive contamination, regardless of cause.
23. Excluded **Loss**—**Loss** caused by seizure or destruction of **Covered Property** by order of governmental authority.
24. Excluded **Loss**—**Loss** caused by war, undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents.
25. Excluded **Loss**—**Loss** caused by insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
26. Excluded **Loss**—**Loss** caused by Acts of Terrorism or actions taken by any government branch or agency in response. This exclusion applies whether or not the Act of Terrorism was committed in concert with or on behalf of any organization or government. Act of Terrorism means any incident determined to be such by an official, department or agency that has been specifically authorized by federal statute to make such a determination.
27. Excluded **Loss**—**Loss** caused by, or as a result from, any legal proceeding.
28. Excluded **Loss**—**Loss** caused by neglect of the Fund Member to use all reasonable means to save and preserve the **Covered Property** at the time of and after an **Occurrence**.
29. Excluded **Loss**—**Loss** to any plumbing system caused by an **Occurrence** if any ensuing **Loss** is otherwise excluded.

PART D
OTHER INSURANCE OR COVERAGE

- I. If a claim is made that is covered under more than one Fund coverage agreement provided to the Fund Member, the Fund will determine which coverage agreement, limits, and deductibles will apply. It is the intent of this provision that there be no accumulation or stacking of Fund coverage.
- II. If there is other coverage or insurance covering the same **Loss**, the Fund will pay only for the amount of covered **Loss** in excess of the other coverage or insurance, whether the Fund Member can collect on it or not. In no event will the Fund pay more than any applicable limit of coverage.

PART E
FUND MEMBER DUTIES

- I. The Fund Member agrees to maintain and report to the Fund an accurate record of **Buildings** and **Other Structures**.
- II. In case of a **Loss** to **Covered Property** the Fund Member must:
 - A. Note the condition precedent notification of **Loss** requirements in CONDITIONS, Part F, II.
 - B. Notify the proper law enforcement agency in case of a **Loss** caused by employee dishonesty, crime, theft, vandalism, or other violation of a law;
 - C. Fully cooperate and assist the Fund in its investigation and adjudication of claims including, but not limited to: providing reasonable and timely access to property, personnel, records or any other element of the claim as often as the Fund reasonably requires; and, communicate directly with the Fund and not through third parties unless agreed to by the Fund;
 - D. Solicit multiple quotes for repair or replacement of **Covered Property** when requested by the Fund;
 - E. Agree to the use of any Fund preferred vendor panel;
 - F. Protect **Covered Property** by making temporary repairs, providing security, or taking other actions as reasonable and necessary to mitigate further harm;
 - G. Keep an accurate record of repair expenses, including original receipts, that support claims and provide such records, photographs, and related documents as requested by the Fund;
 - H. Furnish a complete description of **Covered Property** subjected to **Loss**, including an inventory of damaged **Personal Property** showing the quantity and description of **Loss**; and
 - I. Comply with all legal requirements for securing contractors, professionals, and other service and labor providers to perform the necessary work, and compensate them at the prevailing competitive rates in the area.

PART F
CONDITIONS

- I. Failure to comply with any or all of the terms, duties, conditions or requirements of this Property Coverage Agreement may result in a delay or denial of a claim or loss of coverage.
- II. This Property coverage will apply on the condition that the Fund Member gives the Fund notice of any **Loss** as soon as possible, but in no event more than 365 days from the date of the **Occurrence**. Because time is of the essence, the Fund Member agrees that this notice provision is a condition precedent to this coverage, that it is a substantial and material breach of this Coverage Agreement by the Fund Member to report any **Loss** more than 365 days from the date of the **Occurrence**, and that no coverage is available to the Fund Member if late reporting occurs.
- III. The Fund Member agrees to regularly inspect and maintain in good condition all **Covered Property** as a condition of coverage. Any failure to do so that results in greater **Loss** may result in a denial of coverage. The Fund may request a copy of the Fund Member's maintenance and inspection logs to verify compliance.
- IV. There can be no abandonment to the Fund of any **Covered Property**.
- V. The Fund has the option to take possession and title of all or any part of the **Covered Property** subjected to **Loss** upon payment of the cost to rebuild or replace the **Covered Property** with other material of like, kind and quality.
- VI. Assignment of interest under this Property Coverage Agreement shall not bind the Fund, and any assignment by a member shall be prohibited if the assignment inhibits the Fund's direct communications with the member, as determined by the Fund.
- VII. In the event of insolvency of the Fund Member, the Fund shall not be relieved of the payment for **Loss** under the Property Coverage Agreement.
- VIII. All coverage provided by the Fund may be jeopardized if any Fund Member or Fund Member's representative has with respect to this Property Coverage Agreement:
 - A. Failed to provide complete and accurate statements of material facts in any document required by the Fund, including, but not limited to, applications, worksheets, audit sheets, disclosure statements, loss forms, exhibits, renewal information forms, claim history (including pending or potential claims), and requests for proposals;
 - B. Intentionally concealed or misrepresented any material fact or circumstance;
 - C. Engaged in fraudulent conduct; or
 - D. Made false statements.
- IX. No action shall be taken against the Fund unless the Fund Member has fully complied with all terms of this Property Coverage Agreement. No person has a right under this Property Coverage Agreement to join the Fund as a party or otherwise bring it into a suit filed against the Fund Member.
- X. The Fund's coverage will commence once any new construction or renovation is completed by the contractor, accepted by the Fund Member, and reported in writing to the Fund.
- XI. The Fund or its designee agrees to administer all claims for which Fund Member has coverage after Fund Member provides timely written notice to the Fund. Fund Member hereby authorizes the Fund or its designee to act in all



matters pertaining to handling of claims for which Fund Member has coverage pursuant to this agreement. Fund Member expressly agrees that the Fund has sole authority in all matters pertaining to the administration of claims and grants the Fund or its designee full decision-making authority in all matters. Fund Member further agrees to be fully cooperative in supplying any information reasonably requested by the Fund in the handling of claims. All decisions on individual claims shall be made by the Fund or its designee, including, without limitation, decisions concerning claim values, payment due on the claim, settlement, subrogation, litigation, or appeals.

TERRORISM ENDORSEMENT

- I. This Terrorism Endorsement modifies coverage under the Property Coverage Agreement. Coverage is amended, as set forth in this endorsement only, to amend the language related to terrorism as included in Part C “Limited Coverage, Excluded Coverage, and Excluded **Loss**” of the Property Coverage Agreement.
- II. The Fund will pay for the amount of the **Direct Physical Loss** that is in excess of the deductible amount and within the limits of coverage shown in the CCS or in the Property Coverage Agreement for damage to **Buildings, Personal Property, and Other Structures** covered by the Property Coverage Agreement resulting from an Act of Terrorism. In no event will the Fund pay more than the actual cost incurred by the Fund Member to repair or replace the damaged **Covered Property** with materials of like kind and quality, or the limits outlined in the Property Coverage Agreement and applicable CCS.
- III. All other exclusions and limits as listed in all sections of the Property Coverage Agreement remain applicable.



CRIME AND EMPLOYEE DISHONESTY ENDORSEMENT

- I. This endorsement modifies coverage under the Fund's Property Coverage Agreement. Coverage is amended, as set forth in this endorsement only, to amend the language related to crime and employee dishonesty as included in Part C "Limited Coverage, Excluded Coverage, and Excluded Loss" of the Property Coverage Agreement.
- II. The Fund will pay up to \$100,000 or the limit specified in the Contribution and Coverage Summary (CCS) for any loss of money or securities in excess of the deductible that the Fund Member incurs as a result of fraudulent or dishonest acts or omission by a Fund Member's employee or by the actual destruction or disappearance of money or securities. This coverage only applies to money and securities owned by the Fund Member, or money belonging to a Fund Member-affiliated entity, and in the possession of the Fund Member at the time of loss.
- III. Claims made under this endorsement apply to **Occurrences** discovered and reported during the **Participation Period**. Any claim reported that includes a series of related fraudulent or dishonest acts by an employee shall be treated as one fraudulent or dishonest act and considered as a single **Occurrence**.

FLOOD ENDORSEMENT

- I. This endorsement modifies coverage under the Property Coverage Agreement. Coverage is amended, as set forth in this endorsement only, and deletes the language related to **Flood** as included in Part C “Limited Coverage, Excluded Coverage, and Excluded **Loss**” of the Property Coverage Agreement. Coverage under this Flood Endorsement is excluded for an **Occurrence** if coverage is otherwise extended under the Named/Numbered Windstorm (NWS) Endorsement. For this Flood Endorsement, **Flood** means: a general and temporary condition of partial or complete inundation of normally dry land areas from the overflow of inland or tidal waters; the unusual and rapid accumulation or runoff of surface waters from any source; or a river or flow of liquid mud proximately caused by flooding. **Flood** does not include any of the following if wind-driven and resulting from a Named or Numbered Windstorm: tidal water, tidal wave, storm surge or spray.
- II. The Fund will pay for the amount of a **Loss to Covered Property** that is in excess of the deductible amount for damage resulting from **Flood** up to \$2,000,000 per **Occurrence**/annual aggregate or the limit specified in the Contribution and Coverage Summary (CCS). For this endorsement coverage to apply, the **Covered Property** must be located in either Low-risk flood zones (Zone C or X-unshaded) or Moderate-risk flood zones (Zones B or X-shaded) as designated by the National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM). Under this Flood Endorsement, the Low-risk zones and Moderate-risk zones are handled individually as follows:
 - A. For **Loss** in Low-risk flood zones (Zones C and X-unshaded,) the Fund will pay in excess of NFIP or any other flood coverage acquired by the Fund Member for these zones; and
 - B. For **Loss** in Moderate-risk flood zones (Zones B and X-shaded,) the Fund will pay in excess of the maximum policy limits available for buildings or contents from NFIP or any other flood coverage applicable to these zones, whether the Fund Member acquires such coverage or not.
- III. The deductible shown on the CCS applies as follows: for **Loss** in Low-risk flood zones (Zones C or X-unshaded,) the deductible only applies if other flood coverage has not been acquired; for **Loss** in Moderate-risk flood zones (Zones B or X-shaded,) the deductible is waived, whether the member acquires such underlying flood coverage or not.
- IV. Fund Member **Covered Property** is excluded from coverage under this endorsement if it is located in certain Special Flood Hazard Areas (SFHA) identified on the Flood Insurance Rate Map (FIRM): Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-30, Zone AR/A, Zone AR/AH, Zone V, Zone VE, Zone VO, and Zones V1-V30.



EARTHQUAKE ENDORSEMENT

- I. This endorsement modifies coverage provided under the Property Coverage Agreement. Coverage is amended, as set forth in this endorsement only, to modify the language related to earthquake as included in Part C “Limited Coverage, Excluded Coverage, and Excluded **Loss**” in the Property Coverage Agreement.
- II. The Fund will pay up to \$2,000,000 per occurrence/annual aggregate or the limit specified in the Contribution and Coverage Summary (CCS) for the amount of a **Loss** that is in excess of the deductible amount for damage resulting from earthquake.
- III. If more than one **Occurrence** involving an earthquake occurs within a period of 72 hours during the term of this coverage, such **Occurrence**, including aftershocks, shall be deemed to be a single **Occurrence**.



TASB RISK MANAGEMENT FUND
EQUIPMENT BREAKDOWN COVERAGE SUMMARY

These coverages apply to the Fund Member's Covered Property under the TASB Management Fund's Property Coverage Agreement.

Coverages	Limits
Equipment Breakdown Limit	As stated in the Contribution & Coverage Summary (CCS).
Property Damage.....	Included
Business Income	Included
Extra Expense	Included
Contingent Business Income	\$250,000
Data Restoration.....	\$250,000
Demolition	\$1,000,000
Excavation Costs.....	\$25,000
Expediting Expenses	\$250,000
Hazardous Substances.....	\$250,000
Newly Acquired Locations	Included
Off Premises Equipment Breakdown	\$500,000
Ordinance or Law	\$1,000,000
Perishable Goods.....	\$250,000
Public Relations	\$5,000
Service Interruption.....	Included

Deductibles

As stated in the Contribution & Coverage Summary (CCS).

Other Conditions

Newly Acquired Locations – 90 Days
 Extended Period of Restoration – 30 Days

[additional Other Conditions may be added to reflect individual referral account needs]



EQUIPMENT BREAKDOWN COVERAGE AGREEMENT

In consideration of the contribution charged, and in reliance upon the TASB Risk Management Fund Member's statements and representations, and subject to the Interlocal Participation Agreement, the Participation Period and coverage limits stated in the Contribution and Coverage Summary, the Equipment Breakdown Coverage Summary, and the terms, Exclusions, and Conditions of this Equipment Breakdown Coverage Agreement, the TASB Risk Management Fund will cover the **Fund Member** against all direct loss under the following Equipment Breakdown Coverage Agreement.

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

Throughout this Equipment Breakdown Coverage Agreement, the words "you" and "your" refer to the Fund Member shown in the Contribution and Coverage Summary. The words "we," "us" and "our" refer to the Fund providing this coverage. Words and phrases that appear in quotation marks and/or boldface have special meaning and are defined in Section G or in other parts of this Equipment Breakdown Coverage Agreement. These words and phrases and their meaning apply for Equipment Breakdown Coverage only and do not apply to any other of the Fund's Coverage Agreements. Examples are shown for illustrative purposes only and do not represent predicted or expected outcomes.

A. COVERAGE

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

1. Covered Cause of Loss

"Accident" and "Electronic Circuitry Impairment"

The Covered Cause of Loss for this Equipment Breakdown Coverage is an "accident" or "electronic circuitry impairment." Without an "accident" or "electronic circuitry impairment" there is no Equipment Breakdown Coverage.

2. Coverages Provided

This section lists the coverages that may apply in the event of a Covered Cause of Loss. Each coverage is subject to a specific limit as shown in the Equipment Breakdown Coverage Summary. See paragraph C.2. for details.

These coverages apply only to the direct result of a Covered Cause of Loss. For each coverage, we will pay only for that portion of the loss, damage or expense that is solely attributable to the Covered Cause of Loss.

a. Property Damage

We will pay for physical damage to "covered property" that is at a location indicated in the Equipment Breakdown Coverage Summary at the time of the Covered Cause of Loss. We will consider "electronic circuitry impairment" to be physical damage to "covered equipment."

b. Business Income

- (1) We will pay your actual loss of "business income" during the "period of restoration" that results directly from the necessary total or partial interruption of your business.
- (2) We will also pay any necessary expenses you incur during the "period of restoration" to reduce the amount of loss under this coverage. We 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) We will consider the actual experience of your business before the Covered Cause of Loss and the probable experience you would have had without the Covered Cause of Loss in determining the amount of our payment.

c. Extra Expense

We will pay the reasonable and necessary "extra expense" to operate your business during the "period of restoration."

d. Contingent Business Income

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



results from an "interruption of supply."

e. Course of Construction

This coverage is automatically included and does not need to be indicated in the Equipment Breakdown Coverage Summary.

- (1) You will notify us promptly of any expansion or rehabilitation of any location described in the Equipment Breakdown Coverage Summary.
- (2) All coverages applicable to any location described in the Equipment Breakdown Coverage Summary are extended to an expansion or rehabilitation of that location.
- (3) This coverage begins at the time you begin the expansion or rehabilitation project.

f. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace or restore lost "data."
- (2) We will pay for your reasonable and necessary cost to research, replace or restore "data" that is lost as the result of an "interruption of service."
- (3) Coverage under f. (2) above applies to "data" stored in "covered equipment."
- (4) Coverage under f.(2) above also applies to "data" stored in the equipment of a "cloud computing services" provider with whom you have a contract.
- (5) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage as described in this Equipment Breakdown Coverage Agreement that is the result of f. (1) and f.(2) above, if such coverage is otherwise applicable under this Equipment Breakdown Coverage. This coverage is included within and subject to your Data Restoration limit.

g. Demolition

- (1) This coverage applies if a Covered Cause of Loss damages a building that is "covered property" and the loss is increased by an ordinance or law that:
 - (a) Requires the demolition of a building that is otherwise reparable;
 - (b) Is in force at the time of the Covered Cause of Loss; and
 - (c) Is not addressed under Hazardous Substances coverage.
- (2) We will pay for the following additional costs to comply with such ordinance or law:
 - (a) Your actual and necessary cost to demolish and clear the site of the undamaged parts of the building; and
 - (b) Your actual and necessary cost to reconstruct the undamaged parts of the building.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.
- (4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage as described in this Equipment Breakdown Coverage Agreement that is the result of g.(1) above, if such coverage is otherwise applicable under this Equipment Breakdown Coverage. This coverage is included within and subject to your Demolition limit.

h. Excavation Costs

We will pay to excavate "buried vessels or piping" that are a part of a Geothermal closed or open loop heating, ventilating and air conditioning system during the repair or replacement following a Covered Cause of Loss to such piping or vessels and to restore the excavated area to the same condition prior to the Covered Cause of Loss.

The most we will pay under this coverage is \$25,000. This limit is a part of, and not in addition to, the Equipment Breakdown Limit.

i. Expediting Expenses

With respect to your damaged "covered property," we will pay the reasonable extra cost to:

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

j. Hazardous Substances

- (1) We will pay for the additional cost to repair or replace “covered property” because of contamination by a “hazardous substance.” This includes the additional expenses to clean up or dispose of such property. This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in Perishable Goods, A.2.n.(3).
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no “hazardous substance” been involved.
- (3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of j.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Hazardous Substances limit.

k. Newly Acquired Locations

- (1) You will notify us promptly of any newly acquired location that you have purchased or leased during the Participation Period.
- (2) All coverages applicable to any scheduled location under this Equipment Breakdown Coverage are extended to a newly acquired location that you have purchased or leased during the Participation Period.
- (3) This coverage begins at the time you acquire the property. As respects newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.
- (4) This coverage ends when any of the following first occurs:
 - (a) This Equipment Breakdown Coverage expires;
 - (b) The number of days specified in the Equipment Breakdown Coverage Summary for this coverage expires after you acquire the location;
 - (c) The location is incorporated into regular coverage under the Fund’s Property Coverage Agreement; or
 - (d) The location is incorporated into the regular coverage of another Equipment Breakdown Coverage Document or policy you have.
- (5) If limits or deductibles vary by location, the highest limits and deductibles will apply to newly acquired locations. However, the most we will pay for loss, damage or expense arising from any “one equipment breakdown” is the amount shown as the Newly Acquired Locations limit in the Equipment Breakdown Coverage Summary.

l. Off Premises Equipment Breakdown

- (1) We will pay for physical damage to transportable “covered equipment” that, at the time of the Covered Cause of Loss, is not at a location indicated in the Equipment Breakdown Coverage Summary; or any other location owned or leased by you.
- (2) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of l.(1) above, if such coverage is otherwise applicable under this Equipment Breakdown Coverage Agreement. This coverage is included within and subject to your Off Premises Equipment Breakdown limit.
- (3) We will also pay for your loss and expense as defined under Data Restoration coverage that is the result of l.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Off Premise Equipment Breakdown limit.

m. Ordinance or Law

- (1) This coverage applies if a Covered Cause of Loss damages a building that is “covered property” and the loss is increased by an ordinance or law that:
 - (a) Regulates the construction or repair of buildings, including “building utilities”;
 - (b) Is in force at the time of the Covered Cause of Loss; and
 - (c) Is not addressed under Demolition coverage or Hazardous Substances coverage.
- (2) We will pay for the following additional costs to comply with such ordinance or law:
 - (a) Your actual and necessary cost to repair the damaged portions of the building;

- (b) Your actual and necessary cost to reconstruct the damaged portions of the building; and
 - (c) Your actual and necessary cost to bring undamaged portions of the building into compliance with the ordinance or law.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.
 - (4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of m.(1) above, if such coverage is otherwise applicable under this Equipment Breakdown Coverage. This coverage is included within and subject to your Ordinance or Law limit.

n. Perishable Goods

- (1) We will pay for physical damage to “perishable goods” due to “spoilage.”
- (2) We will also pay for physical damage to “perishable goods” due to “spoilage” that is the result of an “interruption of service.”
- (3) We will also pay for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia.
- (4) We will also pay any necessary expenses you incur during the “period of restoration” to reduce the amount of loss under this coverage. We 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.

o. Public Relations

- (1) This coverage only applies if you have sustained an actual loss of “business income” covered under this policy.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - (a) The media;
 - (b) The public; or
 - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the “period of restoration” or up to 30 days after the “period of restoration” has ended.

p. Service Interruption

We will pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of an “interruption of service.”

B. EXCLUSIONS

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

1. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from a Covered Cause of Loss.

a. Fire and Explosion

- (1) Fire, including smoke from a fire.
- (2) Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.
- (3) Any other explosion, except as specifically provided in the definition of “accident.”

b. Ordinance or Law

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



c. Earth Movement

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

d. Nuclear Hazard

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

e. War and Military Action

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

f. Water

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

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

g. Failure to Protect Property

Your failure to use all reasonable means to protect "covered property" from damage following a Covered Cause of Loss.

h. Fines

Fine, penalty or punitive damage.

i. Mold

Mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins. However, this exclusion does not apply to "spoilage" of personal property that is "perishable goods" to the extent that such "spoilage" is covered under Perishable Goods coverage.

j. Deliberate Acts

The deliberate act of any person to cause damage or harm, including but not limited to vandalism, malicious mischief or sabotage.

2. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following causes of loss:

- a. Lightning.**
- b. Windstorm or Hail.** However, this exclusion does not apply when:
 - (1) "Covered equipment" located within a building or structure suffers a Covered Cause of Loss that results from wind-blown rain, snow, sand or dust; and
 - (2) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
- c. Collision or any physical contact caused by a "vehicle."** This includes damage by objects falling from aircraft. However, this exclusion does not apply to any unlicensed "vehicles" which you own or which are operated in the course of your business.
- d. Riot or Civil Commotion.**
- e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.**

- f. Volcanic Action.
 - g. An electrical insulation breakdown test.
 - h. A hydrostatic, pneumatic or gas pressure test.
 - i. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.
 - j. Elevator collision.
3. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following perils, if such peril is a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.
- a. Falling Objects.
 - b. Weight of Snow, Ice or Sleet.
 - c. Water Damage, meaning discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.
 - d. Collapse.
 - e. Breakage of Glass.
 - f. Freezing caused by cold weather.
 - g. Discharge of molten material from equipment, including the heat from such discharged material.
4. Exclusions 2. and 3. do not apply if all of the following are true:
- a. The excluded peril occurs away from any location described in the Equipment Breakdown Coverage Summary and causes an electrical surge or other electrical disturbance;
 - b. Such surge or disturbance is transmitted through utility service transmission lines to a described location;
 - c. At the described location, the surge or disturbance results in a Covered Cause of Loss to "covered equipment" that is owned or operated under the control of you or your landlord; and
 - d. The loss, damage or expense caused by such surge or disturbance is not a covered cause of loss under another coverage or insurance policy you have, whether collectible or not, and without regard to whether or not the other coverage or insurance policy provides the same coverage or scope of coverage as this Equipment Breakdown Coverage.
5. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
- a. Loss associated with business that would not or could not have been carried on if the Covered Cause of Loss had not occurred;
 - b. Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business;
 - c. That part of any loss that extends beyond or occurs after the "period of restoration." This includes, but is not limited to:
 - (1) "Business income" that would have been earned after the "period of restoration," even if such loss is the direct result of the suspension, lapse or cancellation of a contract during the "period of restoration"; and
 - (2) "Extra expense" to operate your business after the "period of restoration," even if such loss is contracted for and paid during the "period of restoration."
 - d. Any increase in loss resulting from an agreement between you and your customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.
6. With respect to Contingent Business Income, Off-Premises Equipment Breakdown, Service Interruption, paragraph (2) of Data Restoration and paragraph (2) of Perishable Goods, we will also not pay for a Covered Cause of Loss caused by or resulting from any of the perils listed in Exclusion 3. above, whether or not such peril is a covered cause of loss under another coverage part or policy of insurance you have.
7. With respect to Data Restoration coverage, we will also not pay to reproduce:
- a. Software programs or operating systems that are not commercially available; or
 - b. "Data" that is obsolete, unnecessary or useless to you.

8. With respect to Demolition and Ordinance or Law coverages, we will also not pay for:
 - a. Increased demolition or reconstruction costs until they are actually incurred; or
 - b. Loss due to any ordinance or law that:
 - (1) You were required to comply with before the loss, even if the building was undamaged; and
 - (2) You failed to comply with;whether or not you were aware of such non-compliance.

C. LIMITS OF INSURANCE

Any payment made under this Equipment Breakdown Coverage will not be increased if more than one Fund Member is shown in the Contribution and Coverage Summary or if you are comprised of more than one legal entity.

1. Equipment Breakdown Limit

The most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the amount shown as the Equipment Breakdown Limit in the Equipment Breakdown Coverage Summary.

2. Coverage Limits

- a. The limit of your coverage under each of the coverages listed in A.2. from loss, damage or expense arising from any "one equipment breakdown" is the amount indicated for that coverage in the Equipment Breakdown Coverage Summary. These limits are a part of, and not in addition to, the Equipment Breakdown Limit. If an amount of time is shown, coverage will continue for no more than that amount of time immediately following the "accident." If a coverage is shown as "Included," that coverage is provided up to the remaining amount of the Equipment Breakdown Limit. If no limit is shown in the Equipment Breakdown Coverage Summary for a coverage, or if a coverage is shown as Excluded in the Equipment Breakdown Coverage Summary, that coverage will be considered to have a limit of \$0.
- b. Loss arising from any "one equipment breakdown" may continue to be present or recur in a later policy period. In such a case, the most we will pay for all loss, damage or expense arising out of any "one equipment breakdown" is the coverage limit applicable at the time of the Covered Cause of Loss.
- c. If two or more coverage limits apply to the same loss or portion of a loss, we will pay only the smallest of the applicable limits for that loss or portion of the loss. This means that if:
 - (1) You have a loss under one of the coverages listed in A.2.; and
 - (2) All or part of the loss is not covered because the applicable coverage is excluded or has a limit that is less than the amount of your loss,we will not pay the remaining amount of such loss under any other coverage.

EXAMPLE 1

Property Damage Limit: \$7,000,000

Business Income Limit: \$1,000,000

Newly Acquired Locations Limit: \$500,000

There is a Covered Cause of Loss at a newly acquired location that results in a Property Damage loss of \$200,000 and a Business Income loss of \$800,000.

We will pay \$500,000, because the entire loss is subject to the Newly Acquired Locations Limit of \$500,000.

EXAMPLE 2

Property Damage Limit: \$7,000,000

Business Income Limit: \$500,000

Hazardous Substances Limit: \$25,000

There is a Covered Cause of Loss that results in a loss of \$100,000. If no "hazardous substance" had been involved, the property damage loss would have been \$10,000 and the business income loss would have been \$20,000. The presence of the "hazardous substance" increased the loss by \$70,000 (increasing the clean up and repair costs by \$30,000 and increasing the business income loss by \$40,000).

We will pay \$55,000 (\$10,000 property damage plus \$20,000 business income plus \$25,000 hazardous substances).



D. DEDUCTIBLES

1. Deductibles for Each Coverage

- a. Unless the Equipment Breakdown Coverage Summary indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown."
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss or damage exceeds the deductible amount indicated in the Equipment Breakdown Coverage Summary. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit indicated in the Equipment Breakdown Coverage Summary.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown," only the highest deductible for each coverage will apply.
- d. The following applies when a deductible is expressed as a function of the horsepower rating of a refrigerating or air conditioning system. If more than one compressor is used with a single system, the horsepower rating of the largest motor or compressor will determine the horsepower rating of the system.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles, if applicable, may be indicated in the Equipment Breakdown Coverage Summary.
- b. Unless more specifically indicated in the Equipment Breakdown Coverage Summary:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this Equipment Breakdown Coverage.

EXAMPLE

A Covered Cause of Loss results in covered losses as follows:

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

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

\$5,000 Extra Expense Loss

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

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible or deductibles shown in the Equipment Breakdown Coverage Summary. We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, subject to the applicable limits shown in the Equipment Breakdown Coverage Summary.

b. Time Deductibles

If a time deductible is shown in the Equipment Breakdown Coverage Summary, we will not be liable for any loss occurring during the specified number of hours or days immediately following the Covered Cause of Loss. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV) Deductibles

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the "business income" that would have been earned during the period of interruption had no Covered Cause of Loss occurred, divided by the number of working days in that period. The ADV applies to the "business income" value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

The number indicated in the Equipment Breakdown Coverage Summary will be multiplied by the ADV as

determined above. The result will be used as the applicable deductible.

EXAMPLE

Business is interrupted, partially or completely, for 10 working days. If there had been no Covered Cause of Loss, the total "business income" at the affected location for those 10 working days would have been \$5,000. The Indirect Coverages Deductible is 3 Times ADV.

$\$5,000 / 10 = \500 ADV

$3 \times \$500 = \$1,500 \text{ Indirect Coverages Deductible}$

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated Minimum Deductible, the Minimum Deductible will be the applicable deductible.

E. LOSS CONDITIONS

The following conditions apply in addition to the Additional Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Brands and Labels

If branded or labeled merchandise that is "covered property" is damaged by a Covered Cause of Loss, but retains a salvage value, you may, at your expense:

- a. Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- b. Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

We will pay for any reduction in value of the salvage merchandise resulting from either of these two actions, subject to all applicable limits.

If a Brands and Labels Limit is shown on the Equipment Breakdown Coverage Summary, we will not pay more than the indicated amount for coverage under this Condition.

3. Coinsurance - Business Income Coverage

a. Unless otherwise shown in the Equipment Breakdown Coverage Summary, Business Income coverage is subject to coinsurance. This means that we will not pay the full amount of any "business income" loss if the "business income actual annual value" is greater than the "business income estimated annual value" at the affected location at the time of the Covered Cause of Loss. Instead, we will determine the most we will pay using the following steps:

- (1) Divide the "business income estimated annual value" by the "business income actual annual value" at the time of the Covered Cause of Loss;
- (2) Multiply the total amount of the covered loss of "business income" by the amount determined in paragraph (1) above;
- (3) Subtract the applicable deductible from the amount determined in paragraph (2) above;

The resulting amount, or the Business Income Limit, whichever is less, is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

- b. Coinsurance applies separately to each location owned by the Fund Member.
- c. If you report a single "business income estimated annual value" for more than one location, without providing information on how that amount should be distributed among the locations, we will distribute the amount evenly among all applicable locations.

EXAMPLE 1 (Underinsurance)

When:

The "business income actual annual value" at the location of loss at the time of the Covered Cause of Loss is \$200,000.



The "business income estimated annual value" shown in the Equipment Breakdown Coverage Summary for the location of loss is \$100,000.

The actual loss of "business income" resulting from the Covered Cause of Loss is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$100,000 / \$200,000 = .5$

Step 2: $\$40,000 \times .5 = \$20,000$

Step 3: $\$20,000 - \$5,000 = \$15,000$

The total "business income" loss recovery, after deductible, would be \$15,000. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

We will also charge you an additional contribution in recognition of the "business income actual annual value."

EXAMPLE 2 (Adequate insurance)

When:

The "business income actual annual value" at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The "business income estimated annual value" shown in the Equipment Breakdown Coverage Summary for the location of loss is \$200,000.

The actual loss of "business income" resulting from the Covered Cause of Loss is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$200,000 / \$200,000 = 1$

Step 2: $\$40,000 \times 1 = \$40,000$

Step 3: $\$40,000 - \$5,000 = \$35,000$

The total "business income" loss recovery, after deductible, would be \$35,000.

4. Coinsurance – Coverages other than Business Income

Coverages other than Business Income may be subject to coinsurance if so indicated in the Equipment Breakdown Coverage Summary. If a Coinsurance percentage is shown in the Equipment Breakdown Coverage Summary, the following condition applies.

- a. We will not pay the full amount of any loss if the value of the property subject to the coverage at the time of the Covered Cause of Loss times the Coinsurance percentage shown for it in the Equipment Breakdown Coverage Summary is greater than the applicable limit.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of the property subject to the coverage at the time of the Covered Cause of Loss by the Coinsurance percentage;
- (2) Divide the applicable limit by the amount determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the amount determined in step (2); and
- (4) Subtract the deductible from the amount determined in step (3).

We will pay the amount determined in step (4) or the applicable limit, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

- b. Coinsurance applies separately to each member location.

EXAMPLE 1 (Underinsurance)

When:

The actual value of "perishable goods" at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the Covered Cause of Loss is \$60,000.

The Perishable Goods deductible is \$5,000.



Step 1: $\$200,000 \times 80\% = \$160,000$

Step 2: $\$100,000/\$160,000 = .625$

Step 3: $\$60,000 \times .625 = \$37,500$

Step 4: $\$37,500 - \$5,000 = \$32,500$

The total Perishable Goods loss recovery, after deductible, would be \$32,500. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE 2 (Adequate insurance)

When:

The actual value of "perishable goods" at the location of loss at the time of the Covered Cause of Loss is \$100,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the Covered Cause of Loss is \$60,000.

The Perishable Goods deductible is \$5,000.

Step 1: $\$100,000 \times 80\% = \$80,000$

Step 2: $\$100,000/\$80,000 = 1.25$

Coinsurance does not apply.

Step 3: $\$60,000 - \$5,000 = \$55,000$

The total Perishable Goods loss recovery, after deductible, would be \$55,000.

5. Defense

We have the right, but are not obligated, to defend you against suits arising from claims of owners of property in your care, custody or control. When we do this, it will be at our expense.

6. Duties in the Event of Loss or Damage

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

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



- including, but not limited to, your books and records; and
- (3) May be recorded by us by any methods we choose.
 - h. Send us a signed, sworn proof of loss containing the information we request. You must do this within 60 days after our request.
 - i. Cooperate with us in the investigation and settlement of the claim.

7. Errors and Omissions

- a. We will pay your loss covered by this Equipment Breakdown Coverage if such loss is otherwise not payable solely because of any of the following:
 - (1) Any error or unintentional omission in the description or location of property as covered under the Fund's Property Coverage Agreement;
 - (2) Any failure through error to include any premises owned or occupied by you at the inception of the Fund's Property Coverage Agreement; or
 - (3) Any error or unintentional omission by you that results in cancellation of any premises covered under the Fund's Property Coverage Agreement.
- b. No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested.
- c. It is a condition of this Equipment Breakdown Coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The contribution may be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.
- d. If an Errors and Omissions Limit is shown on the Equipment Breakdown Coverage Summary, we will not pay more than the indicated amount for coverage under this Condition.

8. Proving Your Loss

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

- a. Demonstrating that the loss, damage or expense is the result of a Covered Cause of Loss covered under this Equipment Breakdown Coverage; and
- b. Calculating the dollar amount of the loss, damage and expense that you claim is covered.

Your responsibility in 8.a. above is without regard to whether or not the possible Covered Cause of Loss occurred at your premises or involved your equipment.

9. Salvage and Recoveries

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

10. Valuation

We will determine the value of "covered property" as follows:

- a. Except as specified otherwise, our payment for damaged "covered property" will be the smallest of:
 - (1) The cost to repair the damaged property;
 - (2) The cost to replace the damaged property on the same site; or
 - (3) The amount you actually spend that is necessary to repair or replace the damaged property.
- b. The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
- c. Except as described in d. below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- d. Environmental, Safety and Efficiency Improvements
If "covered equipment" requires replacement due to a Covered Cause of Loss, we will pay your additional cost to replace with equipment that we agree is better for the environment, safer for people or more energy or water efficient than the equipment being replaced, subject to the following conditions:



- (1) We will not pay more than 150% of what the cost would have been to replace with like kind and quality;
 - (2) We will not pay to increase the size or capacity of the equipment;
 - (3) This provision only applies to Property Damage coverage;
 - (4) This provision does not increase any of the applicable limits;
 - (5) This provision does not apply to any property valued on an Actual Cash Value basis; and
 - (6) This provision does not apply to the replacement of component parts.
- e. The following property will be valued on an Actual Cash Value basis:
- (1) Any property that does not currently serve a useful or necessary function for you;
 - (2) Any "covered property" that you do not repair or replace within 24 months after the date of the Covered Cause of Loss; and
 - (3) Any "covered property" for which Actual Cash Value coverage is specified in the Equipment Breakdown Coverage Summary.
- Actual Cash Value includes deductions for depreciation.
- f. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
- (1) The property was manufactured by you;
 - (2) The sales price of the property is less than the replacement cost of the property; or
 - (3) You are unable to replace the property before its anticipated sale.
- g. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:
- (1) For mass-produced and commercially available software, at the replacement cost.
 - (2) For all other "data" and "media," at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.
- h. Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:
- (1) Repair or replace the damaged property and replace any lost CFC refrigerant;
 - (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
 - (3) Replace the system with one using a non-CFC refrigerant.
- In determining the least expensive option, we will include any associated Business Income or Extra Expense loss. If option (2) or (3) is more expensive than (1), but you wish to retrofit or replace anyway, we will consider this better for the environment and therefore eligible for valuation under paragraph d., Environmental, Safety and Efficiency Improvements. In such case, E.10.d.(1) is amended to read: "We will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality."

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Loss Conditions:

1. Loss Payee

If a person or organization is designated in this Equipment Breakdown Coverage as a Loss Payee, we will consider them to be covered under this Equipment Breakdown Coverage only to the extent of their interest in the "covered property."

2. Bankruptcy

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

3. Concealment, Misrepresentation or Fraud

We will not pay for any loss and coverage will be void if you or any Loss Payee at any time:



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

4. Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any “covered equipment” that is “covered property” requires inspection to comply with such regulations, at your option we agree to perform such inspection.

5. Liberalization

If we adopt any standard form revision for general use that would broaden the coverage under this Equipment Breakdown Coverage without additional contribution, the broadened coverage will apply to this Equipment Breakdown Coverage commencing on the date that such revision becomes effective in the jurisdiction where the Covered Cause of Loss occurs.

6. Loss Payable

- a. We will pay you and the loss payee shown in the Equipment Breakdown Coverage Summary for loss covered by this Equipment Breakdown Coverage, as interests may appear. This Equipment Breakdown Coverage protects the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part or on the part of the loss payee.
- b. The Fund may cancel this Equipment Breakdown Coverage as allowed by Interlocal Participation Agreement.
- c. If we make any payment to the loss payee, we will obtain their rights against any other party as provided within the Interlocal Participation Agreement.

7. Maintaining Covered Property and Equipment

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

8. Mortgage Holders

- a. The term mortgage holder includes trustee.
- b. We will pay for direct damage to “covered property” due to a Covered Cause of Loss to “covered equipment” to you and each mortgage holder shown in the Equipment Breakdown Coverage Summary in their order of precedence, as interests in the “covered property” may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the “covered property.”
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Equipment Breakdown Coverage Agreement, the mortgage holder will still have the right to receive loss payment, provided the mortgage holder does all of the following:
 - (1) Pays any contribution due under this Equipment Breakdown Coverage at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so;
 - (3) Has notified us of any change in ownership or material change in risk known to the mortgage holder; and
 - (4) Has complied with all other terms and conditions of this Equipment Breakdown Coverage Agreement and any Fund participation documents or agreements.

All of the terms of this Equipment Breakdown Coverage Agreement will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss and deny payment to you because of your acts or because you



have failed to comply with the terms of this Equipment Breakdown Coverage Agreement:

- (1) The mortgage holder's right under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

9. Other Insurance

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

10. Participation Period, Coverage Territory

Under this Equipment Breakdown Coverage:

- a. The Covered Cause of Loss must occur during the Participation Period as stated on the Contribution and Coverage Summary, but expiration of the Participation Period does not limit our liability.
- b. The Covered Cause of Loss must occur within the following coverage territory:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.
- c. As respects Off Premises Equipment Breakdown coverage only, the Covered Cause of Loss may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

11. Privilege to Adjust with Owner

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

12. Suspension

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

- a. Your last known address; or
- b. The address where the "covered equipment" is located.

Once suspended in this way, coverage can be reinstated only by an endorsement for that "covered equipment." If we suspend your coverage, you may receive a pro rata refund of contribution for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

13. Transfer of Rights of Recovery Against Others to the Fund

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

- a. Prior to a Covered Cause of Loss.
- b. After a Covered Cause of Loss only if, at time of the Covered Cause of Loss, that party is one of the following:
 - (1) Someone insured by this Equipment Breakdown Coverage; or
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you.

G. DEFINITIONS



1. **"Accident"**

- a. **"Accident"** means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (2) Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires;
 - (3) Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines;
 - (4) An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;
 - (5) An event inside hot water boilers or other water heating equipment that damages such equipment; or
 - (6) Bursting, cracking or splitting.
- b. None of the following is an "accident," however caused and without regard to whether such condition or event is normal and expected or unusual and unexpected:
- (1) Depletion, deterioration, rust, corrosion, erosion, settling or wear and tear;
 - (2) Any gradually developing condition;
 - (3) Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind;
 - (4) Contamination by a "hazardous substance"; or
 - (5) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

2. **"Boilers and Vessels"** means:

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

This term does not appear elsewhere in this coverage form, but may appear in the Equipment Breakdown Coverage Summary.

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

4. **"Buried Vessels or Piping"**

- a. "Buried Vessels or Piping" means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.
- b. "Buried Vessels or Piping" does not mean piping or vessels buried or encased in the earth, concrete or other material that are a part of a Geothermal closed or open loop heating, ventilating and air conditioning system used for building heating or cooling.

5. **"Business Income"** means the sum of:

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

6. **"Business Income Actual Annual Value"** means the "business income" for the current fiscal year that would have been earned had no Covered Cause of Loss occurred.

In calculating the "business income actual annual value," we will take into account the actual experience of your

business before the Covered Cause of Loss and the probable experience you would have had without the Covered Cause of Loss.

7. **“Business Income Estimated Annual Value”** means the anticipated “business income” reported to us and shown in the Equipment Breakdown Coverage Summary. If no value is shown in the Equipment Breakdown Coverage Summary, the “business income estimated annual value” will be the most recent report of anticipated “business income” values on file with us.
8. **“Cloud Computing Services”** means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. “Cloud computing services” include private clouds if such services are owned and operated by a third party.
9. **“Covered Equipment”**
 - a. **“Covered Equipment”** means the following:
 - (1) Unless specified otherwise in the Equipment Breakdown Coverage Summary:
 - (a) Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (b) Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

“Covered equipment” may utilize conventional design and technology or new or newly commercialized design and technology.
 - (2) Except as specifically provided for under Contingent Business Income, Off Premises Equipment Breakdown, Service Interruption, Contingent Business Income and paragraph (2) of Perishable Goods, such equipment must be at a location described in the Equipment Breakdown Coverage Summary and must be owned or leased by you or operated under your control.
 - b. None of the following is “covered equipment”:
 - (1) Structure, including but not limited to the structural portions of buildings and towers and scaffolding;
 - (2) Foundation;
 - (3) Cabinet, compartment, conduit or ductwork;
 - (4) Insulating or refractory material;
 - (5) “Buried vessels or piping”;
 - (6) Waste, drainage or sewer piping;
 - (7) Piping, valves or fittings forming a part of a sprinkler or fire suppression system;
 - (8) Water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
 - (9) “Vehicle” or any equipment mounted on a “vehicle”;
 - (10) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (11) Dragline, excavation or construction equipment;
 - (12) Equipment manufactured by you for sale;
 - (13) “Data; or
 - (14) Well casings.
10. **“Covered Property”**
 - a. **“Covered Property”** means property that you own or property that is in your care, custody or control and for which you are legally liable. Such property must be at a location described in the Equipment Breakdown Coverage Summary except as provided under Off Premises Equipment Breakdown coverage.
 - b. None of the following is “covered property”:
 - (1) Accounts, bills, currency, deeds or other evidences of debt, money, notes or securities;
 - (2) Fine arts, jewelry, furs or precious stones;
 - (3) Precious metal, unless forming a part of “covered equipment”;

- (4) Animals;
- (5) Contraband, or property in the course of illegal transportation or trade;
- (6) Land (including land on which the property is located), water, trees, growing crops or lawns; or
- (7) Shrubs or plants, unless held indoors for retail sale.

11. **"Data"** means information or instructions stored in digital code capable of being processed by machinery.

12. **"Electrical Generating Equipment"**

- a. "Electrical Generating Equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:
 - (1) Boilers used primarily to provide steam for one or more turbine-generator units;
 - (2) Turbine-generators (including steam, gas, water or wind turbines);
 - (3) Engine-generators;
 - (4) Fuel cells or other alternative electrical generating equipment;
 - (5) Electrical transformers, switchgear and power lines used to convey the generated electricity; and
 - (6) Associated equipment necessary for the operation of any of the equipment listed in (1) through (5) above.
- b. "Electrical Generating Equipment" does not mean:
 - (1) Elevator or hoist motors that generate electricity when releasing cable; or
 - (2) Equipment intended to generate electricity solely on an emergency, back-up basis.

This term does not appear elsewhere in this coverage form, but may appear in the Equipment Breakdown Coverage Summary.

13. **"Electronic Circuitry"** means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.

14. **"Electronic Circuitry Impairment"**

- a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in b., c., and d. below.
- b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment."
- c. The "covered equipment" must be owned or leased by you, or operated under your control.
- d. None of the following is an "electronic circuitry impairment":
 - (1) Any condition that can be reasonably remedied by:
 - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - (b) Rebooting, reloading or updating software or firmware; or
 - (c) Providing necessary power or supply.
 - (2) Any condition caused by or related to:
 - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
 - (b) Insufficient size, capability or capacity of the "covered equipment."
 - (3) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.

15. **"Extra Expense"** means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no Covered Cause of Loss occurred.



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

17. **"Interruption of Service"**

- a. "Interruption of Service" means a failure or disruption of the normal supply of any of the Covered Services listed in b. below, when such failure or disruption is caused by an "accident" to "covered equipment," subject to the conditions listed in c. through f. below. The failure or disruption must arise from an "accident."
- b. Covered Services are electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, wide area networks, "cloud computing services" and data transmission.
- c. The "covered equipment" must either be:
 - (1) Owned by a company with whom you have a contract to supply you with one of the Covered Services; or
 - (2) Used to supply you with one of the Covered Services and located within one mile of a location described in the Equipment Breakdown Coverage Summary.
- d. If a Service Interruption Distance Limitation is indicated in the Equipment Breakdown Coverage Summary, the "covered equipment" suffering the "accident" must be located within the indicated distance of any location described in the Equipment Breakdown Coverage Summary.
- e. Unless otherwise shown in the Equipment Breakdown Coverage Summary, no failure or disruption of service will be considered to qualify as an "interruption of service" until the failure or disruption exceeds 24 hours immediately following the "accident."
- f. "Interruption of service" does not include any failure or disruption, whether or not arising from or involving an "accident," in which a supplier could have continued to provide service to the location but chose for any reason to reduce or discontinue service.

18. **"Interruption of Supply"**

- a. "Interruption of Supply" means a failure or disruption of the normal supply of any of the Covered Contingencies listed below, when such failure or disruption is caused by an "accident" to "covered equipment" that is located at a Contingent Business Income supplier or receiver location indicated in the Equipment Breakdown Coverage Summary. If no Contingent Business Income supplier or receiver location is indicated in the Equipment Breakdown Coverage Summary, the "covered equipment" must be owned by a supplier from whom you have received the Covered Contingency for at least six months prior to the "accident" or a receiver to whom you have supplied the Covered Contingency for at least six months prior to the "accident."
- b. Covered Contingencies are raw materials, intermediate products, finished products, packaging materials and product processing services.

19. **"Media"** means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

20. **"One Equipment Breakdown"** means all "accidents" or "electronic circuitry impairments" occurring at the same time from the same event. If an "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments," all will be considered "one equipment breakdown."

21. **"Ordinary Payroll"** means the Payroll Expenses associated with all employees other than executives, department managers and employees under contract.

As used above, Payroll Expenses means all payroll, employee benefits directly related to payroll, FICA payments you pay, union dues you pay and workers compensation contributions.

"Ordinary payroll" does not include pensions or directors fees.

This term does not appear elsewhere in this coverage form, but may appear in the Equipment Breakdown Coverage Summary.

22. **"Period of Restoration"** means the period of time that begins at the time of the Covered Cause of Loss and continues until the earlier of:

- a. The date the physical damage to "covered equipment" is repaired or replaced; or
- b. The date on which such damage could have been repaired or replaced with the exercise of due diligence and dispatch,



plus the number of days, if any, shown in the Equipment Breakdown Coverage Summary for Extended Period of Restoration.

23. **"Perishable Goods"** means any "covered property" subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.
24. **"Production Machinery"** means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this coverage form, but may appear in the Equipment Breakdown Coverage Summary.

25. **"Spoilage"** means any detrimental change in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, freezing of fresh goods, solidification of liquid or molten material and chemical reactions to material in process.
26. **"Vehicle"** means any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

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

PRIVACY & INFORMATION SECURITY COVERAGE AGREEMENT

- I. The TASB Risk Management Fund (Fund) provides privacy and information security coverage for members of the Fund's Property or School Liability programs as outlined in this Privacy & Information Security Coverage Agreement (Information Security Coverage Agreement). This coverage is contingent on full compliance with the provisions of this Information Security Coverage Agreement, the Contribution and Coverage Summary (CCS), and any other participation agreements between the Fund and the Fund Member.
- II. This coverage is provided to Fund Members in accordance with the terms and conditions of this Information Security Coverage Agreement and the Beazley Information Security & Privacy Coverage Form and Endorsements (collectively, the Coverage Agreements) as agreed upon by the Fund with the Fund's reinsurer, the Beazley Insurance Group. The Beazley Breach Response Services Team and Beazley Nominated Service Providers will provide claim services under the Coverage Agreements. The Fund will pay on behalf of Covered Persons, as defined in this Information Security Coverage Agreement, all losses, costs, and associated expenses covered under the Coverage Agreements, subject to applicable limits, deductible amounts, and exclusions.
- III. The Fund is not an insurance company and this document is not a contract of insurance. Rather, this Coverage Agreement is an agreement between the Fund and the Fund Member to pay covered damages and expenses subject to all provisions of the Coverage Agreements and all other participation agreements. You should read the Coverage Agreements to determine what is and what is not covered. Certain provisions contained in these Coverage Agreements will exclude or limit coverage. The terms and definitions of these Coverage Agreements only apply to these Coverage Agreements and do not apply to other Fund coverage agreements.
- IV. Covered Person means the Fund Member, any trustee, school board member, student teacher, volunteer, or employee of the Fund Member, while such Covered Person is acting within the course and scope of their duties or employment.
- V. The Fund will pay on behalf of the Fund Member for each covered privacy and information security claim, damages and expenses up to:
 - a. \$100,000 for claim expenses, damages or penalties related to information security, privacy liability and website media content liability, and regulatory and defense penalties or Payment Card Industry (PCI) fines; and
 - b. \$100,000 for costs for computer expert services, legal services, call center services, public relations consultancy services, credit or identity monitoring services, cyber extortion loss, fraudulent instruction loss, telecommunications fraud, data protection loss and business interruption loss; and
 - c. The cost to provide notification for up to 10,000 individuals affected by a data and information breach; or
 - d. The limits, in excess of the deductible, as stated in the CCS.
- VI. If a claim is made that could be covered under more than one coverage program offered by the Fund, the Fund, in its sole discretion, will determine which coverage program, limits and deductible apply.
- VII. All terms and conditions outlined in the Fund's School Liability Coverage Agreement or Property Coverage Agreement under Other Insurance or Coverage, Fund Member and Covered Person Duties, or Conditions sections apply to coverage provided under the Coverage Agreements.



SCHOOL LIABILITY COVERAGE AGREEMENT

PART A GENERAL

- I. The TASB Risk Management Fund (Fund) will pay on behalf of a **Covered Person** amounts as outlined in this School Liability Coverage Agreement (Coverage Agreement). This coverage is contingent on full compliance with the provisions contained in this Coverage Agreement, the Contribution and Coverage Summary (CCS) and any other participation documents or agreements between the Fund and the Fund Member.
- II. This document is not a contract of insurance. The Fund is not an insurance company. Rather, this Coverage Agreement is an agreement between the Fund and the Fund Member to pay all covered losses subject to all provisions, including the definitions, terms, conditions, exclusions, deductibles and limits of liability of this Coverage Agreement and any other participation documents. You should read the entire Coverage Agreement to determine what is and what is not covered. Certain provisions contained in this Coverage Agreement will exclude, limit or restrict coverage. The terms and definitions of this Coverage Agreement only apply to this Coverage Agreement and do not apply to other Fund coverage agreements.
- III. The Fund, in its sole discretion, shall determine which coverage applies, if any, when a claim is reported to the Fund.
- IV. The following bolded terms are defined and applicable throughout this entire Coverage Agreement:
 - A. **Covered Person** means the Fund Member; any trustee, school board member, student teacher, or volunteer, while such **Covered Persons** are acting within the course and scope of their duties; any employee of the Fund Member, including students, while such **Covered Persons** are acting within the course and scope of the duties of their employment; under General Liability coverage only, any K-12 school district student while participating in an external career or technology program approved by the Fund Member; or, under General Liability coverage only, any student while operating Fund Member-owned self-propelled motor-driven equipment at the direction of a Fund Member employee acting within the course and scope of the employee's employment.
 - B. **Damages** means any amount, within the coverage limits, **Covered Persons** are legally obligated to pay. This includes settlements, judgments, related court costs, and interest on any judgment, unless otherwise excluded in this Coverage Agreement.
 - C. **Claim Expense** means reasonable and necessary fees charged by any attorney selected by the Fund and all other reasonable expenses arising from the investigation or defense of any claim. This does not include salaries of trustees, board members or employees of the Fund Member or any other governmental body, or any other expenses otherwise excluded by this Coverage Agreement.
 - D. **Automobile** means: any self-propelled motor-driven equipment that is registered for use on public roads; or any automobiles and motor vehicles, trailers, and semi-trailers, whether registered or not. **Automobile** does not include self-propelled motor-driven equipment that is not registered for use on public roads, such as lawnmowers, golf carts, all-terrain vehicles, forklifts, or tractors.
 - E. **Participation Period** means the effective dates of coverage under this Coverage Agreement as stated in the CCS.



- F. **Occurrence** means any incident or event including continuous or repeated acts, omissions or exposures to conditions during the **Participation Period** that results in **Bodily Injury, Property Damage** or **Personal Injury**, neither expected nor intended by the **Covered Persons**. Any Claims, suits, or **Damages** arising from substantially the same harmful conditions shall be subject to the limits and deductible for a single **Occurrence**. This includes continuous or repeated acts, omissions or Claims without consideration of the frequency, the number or type of media, material or acts involved or, the number of **Covered Persons** or claimants involved.
- G. **Bodily Injury** means sickness, disease, other bodily injury or death sustained by any person. **Bodily Injury** shall include injury arising out of rendering or failure to render medical, surgical, dental or nursing treatment.
- H. **Property Damage** means physical injury to or destruction of tangible property belonging to others, including loss of use of the property whether or not it has been physically injured or destroyed.
- I. **Personal Injury** means injury, other than **Bodily Injury**, including humiliation, or mental anguish which results directly from the following:
 1. Oral or written publication of material that slanders or libels a person or organization, disparages a person's or organization's goods, products or services, or violates a person's right of privacy;
 2. Infringement of intellectual property;
 3. Wrongful eviction from, wrongful entry into, or invasion of the right to private occupancy of a dwelling or premises;
 4. False arrest, detention, or imprisonment; or
 5. Malicious prosecution.
- J. **Mold** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by fungi.

PART B
PROFESSIONAL LEGAL LIABILITY COVERAGE

- I. The Fund will pay those sums a **Covered Person** becomes legally obligated to pay as **Damages** arising out of a Wrongful Act provided the Claim is made and reported to the Fund during the **Participation Period**. The Fund will pay **Damages** in excess of the deductible amount and within the limits of coverage shown in the CCS. The limit of coverage stated in the CCS will not be reduced by **Claim Expenses**. The Fund Member will pay the deductible amount shown in the CCS for each Wrongful Act. The deductible shall apply to judgments, settlements, and **Claim Expenses** whether or not a settlement is made. The limits of coverage as stated in the CCS or in this Coverage Agreement is the maximum amount the Fund will pay for a Claim arising out of a Wrongful Act.
 - A. Wrongful Act means any actual or alleged act or omission by a **Covered Person**, including **Bodily Injury** arising out of student discipline or punishment administered by a **Covered Person**, in the performance of duties for the Fund Member that results in a Claim being made. Any Claims, suits or **Damages** because of a series of related Wrongful Acts arising from substantially the same harmful conditions shall be subject to the limits and deductible for a single Wrongful Act. This includes continuous or repeated acts, omissions

or Claims without consideration of the frequency, repetition or the number of acts, **Covered Persons** or claimants involved.

- B. Claim means any demand for monetary or non-pecuniary relief presented to the Fund Member that results in litigation or in which the Fund Member reasonably anticipates litigation. Claim does not include demands presented for administrative proceedings or alternative dispute resolutions before any federal, state, or local administrative agency, commission, or board nor any related **Damages** or expenses.
- II. For coverage to apply the Wrongful Act must happen during the **Participation Period** and the Claim must be reported to the Fund during the **Participation Period**. However, if the Wrongful Act happened prior to the **Participation Period** the Fund will provide coverage only if:
- A. The **Covered Persons** did not give notice to any prior insurer of the Wrongful Act; and the **Covered Persons** had no knowledge of the Wrongful Act likely to give rise to a Claim under this coverage; and
 - B. The Claim is first made against the **Covered Persons** and reported to the Fund during the **Participation Period**.
- III. If, during the **Participation Period** or a purchased extended reporting period, the Fund Member becomes aware of a Wrongful Act that would otherwise be covered under Part B and provides written notice to the Fund, then any Claim that is subsequently made arising out of that Wrongful Act shall be deemed to be made during the **Participation Period** or the extended reporting period. Any investigation conducted by the Fund or its representative shall be subject to the terms and conditions set forth in this Coverage Agreement.
- IV. The Fund may, in its sole discretion, extend the reporting period for coverage under Part B for Wrongful Acts occurring during the **Participation Period**. If offered, the Fund Member must exercise the option to purchase the extended reporting period coverage in writing and pay any additional contribution within thirty (30) days of the termination date of this coverage. Claims reported during the extended reporting period will be subject to the same terms and conditions as any other Claims reported under this section.
- V. The Maximum Annual Aggregate as stated in the CCS is the maximum dollar amount that the Fund will ever be obligated to pay for **Damages** arising from Claims reported in the **Participation Period**, regardless of the number of Claims, Wrongful Acts, **Covered Persons**, lawsuits filed or types of **Damages**.
- A. Where payment for **Damages** reaches the Maximum Annual Aggregate, the Fund shall have no further liability or obligation of any kind to the Fund Member or any **Covered Person** to pay any **Damages** or defend any suit.
 - B. The Maximum Annual Aggregate in the previous **Participation Period** shall not be increased by reason of any extended reporting period which may apply.
- VI. The Fund's limit of liability for a Wrongful Act shall not increase nor shall more than one deductible be applied if:
- A. There is more than one **Covered Person**, or
 - B. More than one person or organization makes a Claim or brings suit.
- VII. The Fund shall have no duty to furnish an attorney and/or defend Claims made against any **Covered Person** that alleges a violation of criminal law. However, the Fund shall reimburse such **Covered Person** in an amount not to exceed the rates that would be paid by the Fund to attorneys retained by it in the ordinary course of business in the defense of similar actions in the community where the Claim arose or is being defended. Such reimbursement will only be made if no finding, verdict, judgment, sentence, decision, outcome, or decree,

including deferred adjudication, has been entered by any civil or criminal trial court that is adverse or unfavorable to any **Covered Person** with respect to allegations of violation of criminal law.

PROFESSIONAL LEGAL LIABILITY
WHAT COVERAGE THE FUND WILL NOT PROVIDE

VIII. EXCLUSIONS—The Fund will not provide coverage under Part B for the following:

- A. **Damages or Claim Expense** for Claims for any **Bodily Injury, Property Damage or Personal Injury** for which coverage exists under any general liability, automobile liability or personal injury liability coverage, or any acts or omissions for which coverage exists under any employee benefits Liability coverage.
- B. **Damages or Claim Expense** for Claims against a **Covered Person** gaining any profit or advantage to which the **Covered Person** is not legally entitled.
- C. **Damages or Claim Expense** arising out of or in connection with salaries, wages, or other employment related benefits which the **Covered Person** is liable to pay any employee by operation of the Fair Labor Standards Act (except the Equal Pay Act) or similar state laws. However, coverage would extend to retaliation claims that arise under the Fair Labor Standards Act or similar state laws.
- D. **Damages** that are considered compensation, wages, benefits, and/or related damages or obligations sought by, awarded to or as a result of settlement with an employee, officer, director, trustee or board member of a Fund Member, including but not limited to workers' compensation and disability benefits, social security benefits, employee benefits, and unemployment insurance, whether already accrued or not.
- E. **Damages** arising out of the actual, alleged or threatened infliction of student discipline or punishment with intent to cause injury, or the actual or alleged student discipline or punishment administered in violation of law or the Fund Member's policy or regulations. However, this exclusion does not apply to Claims or allegations arising from vicarious liability or the Fund Member's or other **Covered Persons'** failure to exercise due care in employing or supervising the individual administering the student discipline or punishment.
- F. **Damages**, including compensatory services, awards, plaintiff's attorney's fees, **Claim Expense**, or other payment incurred or rendered at the administrative level against any **Covered Persons** under the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. 1400 *et seq.* However, coverage under this Coverage Agreement does apply to post-administrative hearing **Claim Expense**, or any award for plaintiff's attorney's fees, court costs, and investigative costs attributed to post-administrative hearing activity rendered against a **Covered Person** under the IDEA by a United States district or appellate court.
- G. **Damages or Claim Expense** incurred by, or on behalf of, a component Fund Member against a Shared Services Arrangement, nor does coverage apply to any **Damages or Claim Expense** incurred by, or on behalf of, a Shared Services Arrangement against a component Fund Member. However, this coverage does apply to third party Claims against a component Fund Member of a Shared Service Arrangement for its obligations for which this coverage would otherwise extend.
- H. **Damages or Claim Expense** arising out of any allegation of Wrongful Act or omission, or violation of any state or federal statute, constitution, administrative rule, or court order, occurring in the course and scope of the **Covered Person's** duties or participation in a Joint Venture. Joint Venture means a relationship by which any **Covered Persons** and one or more other persons, organizations, or legal entities combine with their labor, property or resources in an undertaking for either a definite period or on a continuing basis. The term Joint Venture shall include but not be limited to any form of partnership or collaborative activity

with private or charitable entities or natural persons. This exclusion does not apply to any **Covered Person** participating in a Joint Venture composed of exclusively the Fund Member and other governmental entities or political subdivisions.

PART C
GENERAL LIABILITY COVERAGE

- I. The Fund will pay those sums a **Covered Person** becomes legally obligated to pay as **Damages** arising out of an **Occurrence** that takes place during the **Participation Period** because of **Bodily Injury, Property Damage, or Personal Injury**. The Fund will pay for **Damages** in excess of the deductible amount and within the limits of coverage shown in the CCS and covered in this Coverage Agreement. The limit of coverage stated in the CCS will not be reduced by **Claim Expense**. The Fund Member will pay the deductible amount shown in the CCS for each **Occurrence**. The deductible shall apply to judgments, settlements and **Claim Expenses** whether or not a settlement is made. The limits of coverage as stated in the CCS or in this Coverage Agreement is the maximum amount the Fund will pay for **Bodily Injury, Property Damage, or Personal Injury**.
- II. The per **Occurrence** limit as stated in the CCS is the maximum dollar amount that the Fund will ever be obligated to pay for **Damages** for a single **Occurrence**, regardless of the number of claims, **Covered Persons**, types of **Damages** or lawsuits filed. When payment for **Damages** reaches the per **Occurrence** limit, the Fund shall have no further liability or obligation of any kind to the Fund Member or any **Covered Person** to pay any **Damages** or defend any suit.
- III. The Fund's limit of liability for an **Occurrence** under Part C shall not increase nor shall more than one deductible be applied if:
 - A. More than one **Covered Person** is included; or
 - B. More than one person or organization makes a claim or brings suit.

GENERAL LIABILITY
WHAT COVERAGE THE FUND WILL NOT PROVIDE

- IV. EXCLUSIONS—The Fund will not provide coverage under Part C for the following:
 - A. **Damages** or **Claim Expense** arising out of the ownership, maintenance, operation, use, loading or unloading of any **Automobile** or aircraft owned or operated by or rented or loaned to any **Covered Persons**. "Aircraft" shall not include drones or Unmanned Aerial Vehicles.
 - B. **Damages** arising out of the ownership, maintenance, operation, use, loading, or unloading of any watercraft in excess of twenty-six feet in length, and owned or operated by or rented or loaned to any **Covered Persons**. This exclusion does not apply to watercraft while ashore on premises owned by, rented to, or controlled by the Fund Member.
 - C. **Property Damage** to property or **Automobiles** that are owned, leased to or in the care, custody, or control of a **Covered Person**.
 - D. **Property Damage** to premises owned, rented, occupied, abandoned or left vacant by the Fund Member.
 - E. **Damages** for loss of use of tangible property which has not been physically injured or destroyed resulting from:



1. A delay in or lack of performance by or on behalf of the Fund Member of any contract or agreement; or
 2. The failure of the Fund Member's products or work performed by or on behalf of the Fund Member to meet the level of performance, quality, fitness or durability warranted or represented by the Fund Member.
- F. **Damages** arising out of the Fund Member's products or any part of such products, or **Damages** arising out of work performed by or on behalf of the Fund Member from any portion of the work or out of materials, parts or equipment furnished in connection with the work.
- G. **Damages** arising out of the withdrawal, inspection, repair, replacement, or loss of use of the Fund Member's products or work completed by or for the Fund Member or any property of which such products for a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency.
- H. **Damages** or **Claim Expense** arising out of oral or written publication of material once it is established such publication was done by or at the direction of a **Covered Person** with knowledge of its falsity or once it is established such material's first publication took place before the beginning of the **Participation Period**.
- I. **Damages** or **Claim Expense** arising out of the administration of discipline or corporal punishment to a student.
- J. **Damages** arising out of the failure of a **Covered Person's** goods, products or services to conform with advertised description, quality, price or performance.
- K. **Damages** or **Claim Expense** for an offense committed by a **Covered Person** whose business is advertising, broadcasting, publication or telecasting. However, the offense must arise out of the **Covered Person's** business of advertising, broadcasting, publication or telecasting.
- L. **Damages** or **Claim Expense** for any alleged violation of a constitutional and/or civil right.
- M. **Damages** arising out of the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presences of, any **Mold**, on or within a building or structure, including its contents, regardless of whether any other cause, event, material, or product contributed concurrently or in any sequence to such injury or damage.
- N. **Damages** arising 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, **Mold** by any Fund Member or by any other person or entity.

PART D
EMPLOYEE BENEFITS LIABILITY COVERAGE

- I. The Fund will pay those sums a **Covered Person** becomes legally obligated to pay as **Damages** arising out of any negligent act or omission committed in the Administration of the Fund Member's Employee Benefits Program during the **Participation Period**. The Fund will pay for **Damages** in excess of the deductible amount and within the limits of coverage shown in the CCS. The limit of coverage stated in the CCS will not be reduced by **Claim Expenses**. The Fund Member will pay the deductible amount shown in the CCS for each **Occurrence**. The deductible will apply to judgments, settlements, and **Claim Expenses** whether or not a settlement is made.



The limits of coverage as stated in the CCS or in this Coverage Agreement is the maximum amount the Fund will pay for **Damages** arising out of the Administration of the Fund Member's Employee Benefits Program.

A. Employee Benefits Program means benefit programs of the following types:

1. Group life, accident, or health insurance or self-insurance plans administered by the Fund Member or others, deferred compensation plans, individual retirement accounts, and tax sheltered annuities, provided no one other than the Fund Member's Employees may subscribe to the plans; and
2. Unemployment insurance, social security benefits, workers' compensation and disability benefits, or any other similar plan.

B. Administration means counseling Employees, including their dependents and beneficiaries, with respect to the Employee Benefits Program, handling records in connection with the Employee Benefits Program, or effecting or terminating any Employee's participation in a plan included in the Employee Benefits Program.

C. Under Part D only, Employee means officers and employees of the Fund Member, whether actively employed, disabled, or retired.

II. The per **Occurrence** limit for Employee Benefits Liability as stated in the CCS is the maximum dollar amount that the Fund will ever be obligated to pay for **Damages** arising out of a claim alleging negligence or omission committed in the Administration of the Fund Member's Employee Benefit Program regardless of the number of claims, **Covered Persons**, types of **Damages** or lawsuits filed. When payment for **Damages** reaches the per **Occurrence** limit, the Fund shall have no further liability or obligation of any kind to the Fund Member or any **Covered Person** to pay any **Damages** or defend any suit.

III. The Fund Member, upon notice, shall reimburse the Fund for the deductible amount paid by the Fund for any claim.

IV. The Fund's limit of liability for a single claim under Part D shall not increase nor shall more than one deductible be applied if:

- A. More than one **Covered Person** is included; or
- B. More than one person or organization makes a claim or brings suit.

EMPLOYEE BENEFITS LIABILITY WHAT COVERAGE THE FUND WILL NOT PROVIDE

V. EXCLUSIONS—The Fund will not provide coverage under Part D for the following:

- A. **Damages** or **Claim Expense** for any loss of benefits arising out of, or based upon, failure of performance of contract by any broker, insurer, individual or group self-insurance, or third party administrator of the Employee Benefits Program.
- B. **Damages** or **Claim Expense** for any loss of benefits arising out of, or based upon, an insufficiency of funds, insolvency, bankruptcy, receivership, or lack of funds to meet any obligation under any plan included in the Employee Benefits Program.
- C. **Damages** or **Claim Expense** arising out of, or based upon:



1. Failure of any investment to perform as represented by any **Covered Persons**; or
 2. Advice given to any person to participate or not participate in any plan included in the Employee Benefits Program.
- D. **Damages** or **Claim Expense** arising out of, or based upon, the failure to comply with any law concerning workers' compensation, unemployment insurance, health care coverage (including, but not limited to, HIPAA and the Affordable Care Act), social security or disability benefits.
- E. **Damages** or **Claim Expense** for any alleged violation of a constitutional and/or civil right.

PART E
HIRED AND NON-OWNED VEHICLES COVERAGE

- I. The Fund will pay those sums a **Covered Person** becomes legally obligated to pay as **Damages** arising out of the use of any Hired Automobile or Non-owned Automobile operated by a **Covered Person** during the **Participation Period** and in the course and scope of their duties for the Fund Member. The Fund will pay for **Damages** in excess of the deductible amount and within the limits of coverage stated in this Coverage Agreement. The limit of coverage stated in this Coverage Agreement will not be reduced by **Claim Expense**. The Fund Member will pay the deductible amount for each **Occurrence**. The limit of coverage as stated in this Coverage Agreement is the maximum amount the Fund will pay for an **Occurrence** under Part E. For coverage under Part E, the following applies:
- A. The Fund Member may not own, or, under a written agreement longer than 14 days, lease or rent any **Automobiles** of any kind.
 - B. Hired Automobile means an **Automobile** not owned by the Fund Member which is rented under contract or loaned to the Fund Member for a period of 14 days or less. A Hired Automobile may not include **Automobiles** owned by or registered in the name of any **Covered Person**.
 - C. Non-owned Automobile means an **Automobile** that is operated by a **Covered Person** in the course and scope of their duties of the Fund Member that is neither owned by the Fund Member nor is a Hired Automobile.
 - D. This coverage shall be excess over any other valid coverage or insurance available to the **Covered Person**.
 - E. The Fund's limit of liability for **Damages** under Part E will be \$100,000 per person, not to exceed \$300,000 per **Occurrence**, for **Bodily Injury**, and \$100,000 per **Occurrence** for **Property Damage**. The deductible amount shall be \$2,500 per **Occurrence**. The Fund Member, upon notice, shall reimburse the Fund for the deductible amount paid by the Fund for any settlement, judgment, or any **Claim Expense**.
 - F. The Fund's limit of liability under Part E shall not increase nor shall more than one deductible be applied if:
 1. More than one **Covered Person** is included; or
 2. More than one person or organization makes a claim or brings suit.

HIRED AND NON-OWNED VEHICLES
WHAT COVERAGE THE FUND WILL NOT PROVIDE

- II. EXCLUSIONS—The Fund will not provide coverage under Part E for the following:
- A. **Damages or Claim Expense** arising out of the maintenance, operation, use, loading or unloading of self-propelled motor-driven equipment, aircraft, or any conveyance used in violation of any state or federal law or regulation specifically addressing the transportation of students, all whether borrowed, rented, or leased by the Fund Member.
 - B. **Damages or Claim Expense** arising out of the use of any Hired or Non-owned Automobile for purposes or functions not authorized or sponsored by the Fund Member.
 - C. **Damages or Claim Expense** arising out of the operations, use, loading or unloading of any **Automobile** leased or rented by the Fund Member for more than 14 days.
 - D. **Damages or Claim Expense** arising out of the maintenance, operation, use, loading or unloading of any **Automobile** covered by any other automobile liability coverage or insurance.

PART F
SCHOOL LIABILITY COVERAGE
General Terms, Conditions, Exclusions & Requirements

- I. Part F of this Coverage Agreement describes terms, conditions, exclusions, and requirements that apply to all coverage provided in this Coverage Agreement and are in addition to the terms, conditions, exclusions, and requirements described in Parts A, B, C, D and E of this Coverage Agreement.
- II. The Fund will not provide coverage for the following:
- A. **Damages or Claim Expense** for any **Covered Person** once it has been established that the **Covered Person** intentionally engaged in or committed unlawful, dishonest, fraudulent, criminal, or malicious acts; or intentional acts, errors or omissions; or acts involving deliberate indifference; or acts involving violations of constitutional or civil rights.
 - B. **Damages or Claim Expense** for any **Covered Person** once it has been established that the **Covered Person** violated, or intentionally disregarded, any law, regulation, common law, school policy or directive, if such act was committed by, or with the consent of, a **Covered Person**.
 - C. **Damages or Claim Expense** for any **Covered Person** once a filing or obtaining of a criminal charge, information or indictment against the **Covered Person** has occurred. The Fund shall be entitled to rely on extrinsic evidence to determine whether coverage applies.
 - D. **Damages or Claim Expense** arising out of:
 - 1. Seizure or destruction of property by order of governmental authority;
 - 2. Nuclear reaction or radiation, or radioactive contamination, regardless of cause;
 - 3. War, undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

4. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- E. **Damages or Claim Expense** arising out of an Act of Terrorism or actions taken by any government branch or agency in response. This exclusion applies whether or not the Act of Terrorism was committed in concert with or on behalf of any organization or government. Act of Terrorism means any incident determined to be such by an official, department or agency that has been specifically authorized by federal statute to make such a determination.
- F. **Damages**, costs or interest attributable to punitive or exemplary damages, or to consequential damages for loss of profits or income or otherwise, or to multiple or additional damages intended as a penalty.
- G. Fines, monetary sanctions or penalties, assessed as court costs or otherwise, imposed against any **Covered Person** if attributable to the Wrongful Act of that **Covered Person**, or to civil penalties authorized by statute.
- H. **Damages or Claim Expense** for which the **Covered Person** or their indemnitee may be held liable for the following:
 1. As a person or organization specifically engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or
 2. If not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed:
 - a. By, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage; or
 - b. By reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol, or which causes or contributes to the intoxication of any person.
- I. **Damages or Claim expense** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to petroleum products, asbestos, smoke, vapor, lead, soot, fumes, acids, alkalis, electromagnetic radiation, **Mold**, chemicals and Waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed. This includes, but is not limited to:
 1. At or from any premises, site or location which is or was at any time owned, occupied, rented, or loaned by or to the Fund Member; or
 2. At or from any premises, site or location which is or was at any time used by or for the Fund Member or others for the handling, storage, disposal, processing or treatment of Waste; or
 3. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as Waste by or for the Fund Member or any person or organization for whom the Fund Member may be legally responsible; or
 4. At or from any premises, site, or location on which the **Covered Persons** or any contractors or subcontractor working directly or indirectly on behalf of the **Covered Persons** are performing operations if the Pollutants are brought on or to the premises, site, or location in connection with such operations, or if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of Pollutants.

- J. **Damages, Claim Expense** or cost arising out of any request, demand, order, suit or Claim by any party that the Fund Member or others test for, monitor, clean up, remove, contain, treat, detoxify, abate, mitigate, or neutralize, or in any way respond to or assess the effects of Pollutants.
- K. **Damages, Claim Expense** or any other obligation for which any **Covered Persons** or their insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any health care coverage (including, but not limited to, HIPAA or the Affordable Healthcare Act), or under any similar law.
- L. **Damages for Bodily Injury** to any employee of the Fund Member arising out of and in the course and scope of his employment by the Fund Member, or to any obligation of the Fund Member to indemnify another because of **Damages** arising out of such injury.
- M. **Damages or Claim Expense** arising out of inverse condemnation, adverse possession, dedication by adverse use or property easement rights.
- N. **Damages or Claim Expense** arising out of any failure or omission on the part of any **Covered Persons** to effect and maintain any form of insurance or agreement of coverage, or any negligent act, error, omission, or breach of duty in judgment or discretion in procuring and maintaining insurance or with respect to amount, form, conditions or provisions of insurance or agreement of coverage. The term insurance includes, but is not limited to, workers' compensation coverage under Chapter 504, Texas Labor Code, and health care coverage under Chapter 172 of the Texas Local Government Code.
- O. **Damages or Claim Expense** arising out of any assumption of liability in a contract or agreement, or arising out of breach of contract or agreement (including any unwritten or implied agreement, or quantum meruit claim,) or any claim sounding in tort which is based directly or indirectly on a contractual obligation. This exclusion does not apply to liability that the **Covered Persons** would have in the absence of a contract or agreement, nor does it apply to a misappropriation of advertising ideas under an implied but not written contract. Additionally, this exclusion does not apply to **Claim Expenses** incurred by a Fund Member in defending a claim by an employee against the Fund Member for breach of that employee's employment contract. However, this exclusion does apply to any **Damages** which may be awarded for such a claim.
- P. **Damages or Claim Expense** on behalf of any student of the Fund Member, unless the student is otherwise a **Covered Person**.
- Q. **Damages or Claim Expense** arising out of the Fund Member's participation in any form in an agreement established or maintained under the Employee Retirement Income Security Act of 1974, as now or hereafter amended.
- R. **Damages or Claim Expense** arising out of any debt security financing or the investment of public funds, including the failure of investments to perform as represented.
- S. **Damages or Claim Expense** arising out of or in any manner related to any specific property owner tax assessment, appraisal, dispute or adjustment; or the collection, seizure, refund, disbursement, or application of any taxes; or the failure to anticipate tax revenue shortfalls.

III. OTHER INSURANCE OR COVERAGE

- A. If a claim is made that could be covered under more than one line of coverage offered by the Fund, the Fund will determine which line of coverage, limits and deductibles apply. It is the intention of this provision that there be no accumulation or stacking of coverage.

- B. Coverage as provided by this Coverage Agreement shall always apply as excess over any other insurance or coverage that applies to a loss regardless of whether the other insurance or coverage applies on a primary, excess, or contingent coverage basis. If a loss covered by both this Coverage Agreement and other insurance or coverage applies on an excess basis, the Fund will not pay for a greater proportion of the loss than that stated in the applicable contribution provision below:
1. Contribution by Equal Shares – If all of the other insurance or coverage provides for contribution by equal shares, the Fund will not pay for a greater proportion of the loss than its equal share until the share of the other insurance or coverage or the Fund Member's limits equals the lowest applicable limit of liability under any of the coverage, or the full amount of the loss is paid. Any remaining amount of loss will be paid by any remaining Fund Member's limit of liability, until exhaustion, by continuing to contribute equal shares to the remaining amount of loss.
 2. Contributions by Limits – If all of the other insurance or coverage does not provide for contribution by equal shares to the loss, the Fund will pay the applicable Fund Members limit of liability in proportion to the total limit of liability of all other insurance or coverage.

IV. FUND MEMBER AND COVERED PERSONS DUTIES

- A. In the event of a loss, **Occurrence**, claim, or Wrongful Act the Fund Member or **Covered Persons** must:
1. Give notice to the Fund of the loss, **Occurrence**, claim, or Wrongful Act as soon as practicable from the **Covered Person's** knowledge of the loss;
 2. Provide in the notice to the Fund the date and circumstances of the loss, **Occurrence**, claim, or Wrongful Act;
 3. Provide to the Fund copies of any demands, notices, summonses or legal papers received and authorize the Fund to obtain records and other related information. There is no coverage if the failure to provide notice prejudices the Fund's defense;
 4. Cooperate with the Fund and assist where reasonably necessary under this Coverage Agreement;
 5. Not voluntarily make any payment, assume any obligation or incur any expenses, except at their own cost; and
 6. Not waive any rights of recovery of any party.

V. SCHOOL LIABILITY COVERAGE CONDITIONS

- A. Failure to comply with any or all of the conditions of this Coverage Agreement, misrepresentation of any material fact, engagement in fraudulent acts, making false statements or failure to comply with reasonable Fund requests may result in the denial of a claim or loss of coverage.
- B. The Fund has sole authority in all matters pertaining to the administration of claims. All decisions on individual claims shall be made by the Fund or its designee, including, without limitation, decisions concerning claim values, payment due on the claim, settlement, subrogation, litigation, or appeals. **Covered Persons** shall not, except at their own cost, incur any costs, charges or expenses, or admit liability, assume any obligation or settle any claim without the written consent of the Fund.



- C. If a claim is within the School Liability coverage provided by the Fund, the Fund, subject to its limit of liability, has the right and duty to defend any suit brought against a **Covered Person** and pay reasonable **Claim Expense** even if such action or suit is groundless, false, or fraudulent. The Fund has no duty to defend a **Covered Person** against any claim or suit seeking **Damages** to which this School Liability coverage does not apply. The Fund's duty to defend or settle claims ends when the Fund's limit of liability has been exhausted.
- D. The Fund will pay premiums on appeal bonds required in any suit and premiums on bonds to release attachments for claims covered under the Coverage Agreement, not to exceed the applicable limit of liability as stated in the CCS.
- E. The Fund will pay all reasonable expenses incurred at the Fund's request by a **Covered Person** other than salaries, loss of income or earnings, or consequential damages.
- F. If **Covered Persons** refuse to consent to any settlement recommended by the Fund, the **Covered Persons** will be responsible for any further negotiations or defense of the claim or suit independently of the Fund. The Fund's liability will not exceed the amount for which the claim could have been settled plus the costs and expenses incurred with the Fund's consent up to the date of the **Covered Persons'** refusal to consent to the settlement recommended by the Fund.
- G. Upon notice, the Fund Member shall reimburse the Fund for the deductible amount paid by the Fund for **Damages** or **Claim Expense**.
- H. In the event of a loss, **Occurrence**, claim, or Wrongful Act arising from the same **Occurrence** or related **Occurrences** is made against more than one Fund Member, the total deductible amount applied to the claim will be equal to the largest deductible of any single Fund Member. Each Fund Member will pay a proportionate percentage of the applied deductible based on the relative size of their deductible.
- I. In the event a claim or claims arising from the same **Occurrence**, Wrongful Act or related **Occurrences** or Wrongful Acts, are made against more than one Fund Member or **Covered Person**, the single highest limit per **Occurrence** stated in any applicable CCS shall be the maximum total amount the Fund will pay to all claimants regardless of the number of claimants or Fund Members or **Covered Persons** sued or otherwise made subject to such a claim. Should a limit per **Occurrence** apply to more than one Fund Member, such coverage limit for each Fund Member shall be the proportionate limit that each Fund Member's maximum limit per **Occurrence** bears to the total of such limits for all Fund Members against whose coverage such claim or claims are made. The intent of this paragraph is to prevent the cumulation of such maximum limits among Fund Members for the same **Occurrence** or Wrongful Act.
- J. The limit per **Occurrence** as stated as in the CCS is the maximum amount the Fund will pay to all claimants arising out of one **Occurrence** or Wrongful Act for any loss covered under this Coverage Agreement regardless of the number of:
 1. **Covered Persons** who are sued or otherwise made subject to claims arising out of **Occurrence** or Wrongful Act;
 2. Persons or organizations who sustain injury or **Damages** out of **Occurrence** or Wrongful Act; or
 3. Claims or suits brought on account of the **Occurrence** or Wrongful Act.
- K. Any assignment by a Fund Member without written agreement of the Fund under this Coverage Agreement shall not bind the Fund.

- L. By acceptance of this Coverage Agreement, the Fund Member agrees to act on behalf of all **Covered Persons** with respect to the giving and receiving of notice of claim. There shall be no cumulation of coverages and/or coverage limits arising out of a single Wrongful Act or **Occurrence**. If a claim asserts allegations that could be covered under more than one section of this Coverage Agreement, only one line of coverage shall be applied to the claim. In such case, the maximum amount paid by the Fund relating to the claim will be the maximum limits applicable to the line of coverage applied to the claim regardless of the allegations.

- M. No action shall be taken against the Fund, unless as a condition precedent, the Fund Member must have fully complied with all terms of this Coverage Agreement. No person has a right under this Coverage Agreement to join the Fund as a party or otherwise bring it into a suit filed against the Fund Member.

PRIVACY & INFORMATION SECURITY COVERAGE AGREEMENT

- I. The TASB Risk Management Fund (Fund) provides privacy and information security coverage for members of the Fund's Property or School Liability programs as outlined in this Privacy & Information Security Coverage Agreement (Information Security Coverage Agreement). This coverage is contingent on full compliance with the provisions of this Information Security Coverage Agreement, the Contribution and Coverage Summary (CCS), and any other participation agreements between the Fund and the Fund Member.
- II. This coverage is provided to Fund Members in accordance with the terms and conditions of this Information Security Coverage Agreement and the Beazley Information Security & Privacy Coverage Form and Endorsements (collectively, the Coverage Agreements) as agreed upon by the Fund with the Fund's reinsurer, the Beazley Insurance Group. The Beazley Breach Response Services Team and Beazley Nominated Service Providers will provide claim services under the Coverage Agreements. The Fund will pay on behalf of Covered Persons, as defined in this Information Security Coverage Agreement, all losses, costs, and associated expenses covered under the Coverage Agreements, subject to applicable limits, deductible amounts, and exclusions.
- III. The Fund is not an insurance company and this document is not a contract of insurance. Rather, this Coverage Agreement is an agreement between the Fund and the Fund Member to pay covered damages and expenses subject to all provisions of the Coverage Agreements and all other participation agreements. You should read the Coverage Agreements to determine what is and what is not covered. Certain provisions contained in these Coverage Agreements will exclude or limit coverage. The terms and definitions of these Coverage Agreements only apply to these Coverage Agreements and do not apply to other Fund coverage agreements.
- IV. Covered Person means the Fund Member, any trustee, school board member, student teacher, volunteer, or employee of the Fund Member, while such Covered Person is acting within the course and scope of their duties or employment.
- V. The Fund will pay on behalf of the Fund Member for each covered privacy and information security claim, damages and expenses up to:
 - a. \$100,000 for claim expenses, damages or penalties related to information security, privacy liability and website media content liability, and regulatory and defense penalties or Payment Card Industry (PCI) fines; and
 - b. \$100,000 for costs for computer expert services, legal services, call center services, public relations consultancy services, credit or identity monitoring services, cyber extortion loss, fraudulent instruction loss, telecommunications fraud, data protection loss and business interruption loss; and
 - c. The cost to provide notification for up to 10,000 individuals affected by a data and information breach; or
 - d. The limits, in excess of the deductible, as stated in the CCS.
- VI. If a claim is made that could be covered under more than one coverage program offered by the Fund, the Fund, in its sole discretion, will determine which coverage program, limits and deductible apply.
- VII. All terms and conditions outlined in the Fund's School Liability Coverage Agreement or Property Coverage Agreement under Other Insurance or Coverage, Fund Member and Covered Person Duties, or Conditions sections apply to coverage provided under the Coverage Agreements.





Financial Statement

Texas Association of School Boards Risk Management Fund

Financial Statements as of and for the Years Ended
August 31, 2018 and 2017, and
Independent Auditors' Report

**TEXAS ASSOCIATION OF SCHOOL BOARDS
RISK MANAGEMENT FUND**

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Attached please find the Independent Auditor's Report, Management's Discussion and Analysis, Statement of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows.

The Fund's 2018 Audited Financial Statement can be found at https://www.tasbrmf.org/documents/audited-financial-statements/2017_rmf_auditedfinancialstatement.pdf



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Report of Independent Auditors

The Board of Trustees
Texas Association of School Boards Risk Management Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Texas Association of School Boards Risk Management Fund, which comprise the statements of net position as of August 31, 2018 and 2017, and the related statements of revenues, expenses and changes in net position and cash flows for years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Texas Association of School Boards Risk Management Fund at August 31, 2018 and 2017, and the changes in its financial position and its cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 to 8 and the ten year claims development information and reconciliation of unpaid claims and claim adjustment expense liability by type of contract schedules on pages 24 to 28 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst & Young LLP

November 2, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
Texas Association of School Boards Risk Management Fund
Year Ended August 31, 2018 (Unaudited)
(See Independent Auditors' Report)

The Texas Association of School Boards Risk Management Fund (the "Fund") herein sets forth a narrative overview and analysis of its financial activities for the fiscal year ended August 31, 2018.

Overview of the Financial Statements

The Texas Association of School Board Risk Management Fund's financial statements consist of three components: 1) financial statements, 2) notes to the financial statements, and 3) required supplementary information. The financial statements present the results of operations from the following Fund programs: Workers' Compensation, Auto, Property, Liability and Unemployment Compensation.

Financial Highlights

Assets exceeded Fund liabilities at August 31, 2018, by \$197.3 million and no amounts were designated as restricted as of the end of the year.

The statement of net position presents the Fund's net assets (total assets less total liabilities) as Net Position (Members' Equity). The Fund's governing Board of Trustees called for the use of Members' Equity to support operations for the year. Net position decreased by \$6.1 million during the 2017-2018 fiscal year. The decrease to \$197.3 million was primarily due to high property claims during the year and unrealized losses in our investment portfolio due to market volatility.

The Fund's investment portfolio continues to generate a steady source of income on which the Fund relies to support its operations. This financial strength helped in weathering the storms of the past year, as severe weather pummeled member properties. Despite these challenges, the Fund's investment portfolio is well-diversified to withstand the volatility in the financial marketplace and the Fund will continue to be a steady partner for its members.

Fund Accounting and Financial Statements

The Fund is a public entity risk pool created under the Texas Interlocal Cooperation Act and all of the Fund's programs are accounted for as an enterprise fund within the Governmental Accounting Standards Board (GASB) framework.

The Fund's reserves include case-based reserves, incurred but not reported (IBNR) claims and unallocated loss adjustment expenses (ULAE) for Workers' Compensation, Auto, Property, and Liability. The Fund also carries reserves for certain claims where the Fund provided a layer of stop-loss coverage to self-funded workers' compensation members from September 1, 1988 to August 31, 1992. Reserves are established by management in consultation with the Fund's independent consulting actuary.

The Statement of Net Position presents information regarding all of the Fund's assets and liabilities, with the difference between the two being reported as Net Position. Over time, increases or decreases in Net Position may provide a useful indicator regarding how the Fund is meeting the needs and expectations of its members.

The Statement of Revenues, Expenses and Changes in Net Position presents the financial results of the Fund. This statement presents information showing how the Fund's Net Position changed during the most recent

fiscal year. The Fund utilizes enterprise fund accounting and thus uses the accrual method of accounting. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. loss and loss adjustment expenses, accrued investment income and reinsurance premiums payable).

The Statement of Cash Flows presents the sources and uses of cash from operating activities, financing activities, and investing activities. This statement ends with the cash in the statement of net position. A reconciliation of operating income to cash provided by the operating activities is also presented. The basic financial statements begin on page 9.

Notes to the Financial Statements

The notes provide additional information that is integral to a full understanding of the financial information presented in the financial statements. The notes to the financial statements begin on page 12.

Supplemental Information

In addition to the basic financial statements and accompanying notes, this financial report also presents certain required supplementary information regarding the Fund's ten-year claims development history and reconciliation. Setting member contribution rates today to cover the assumed risk of possible future loss occurrences are largely guided by claim development. Analysis of trends in claims development indicates whether losses are increasing, decreasing, or remain constant. Required supplementary information is located on pages 24-28.

Financial Analysis for the Fund

The Statements of Net Position – As of August 31, 2018, 2017, and 2016

Comparative Condensed Statements of Net Position As of August 31, 2018, 2017, and 2016

	2018	2017	2016
Assets:			
Cash and investments	\$ 302,518,977	\$ 324,666,752	\$ 329,402,809
Other current assets	21,209,264	12,644,053	15,364,545
Long-term assets	<u>262,068</u>	<u>362,068</u>	<u>462,068</u>
Total Assets	<u>\$ 323,990,309</u>	<u>\$ 337,672,873</u>	<u>\$ 345,229,422</u>
Liabilities and equity:			
Current liabilities	\$ 68,415,954	\$ 71,654,544	\$ 68,949,328
Long-term liabilities	<u>58,268,338</u>	<u>62,649,194</u>	<u>63,543,868</u>
Total Liabilities	<u>126,684,292</u>	<u>134,303,738</u>	<u>132,493,196</u>
Net Position:			
Members' Equity (Unrestricted)	<u>197,306,017</u>	<u>203,369,135</u>	<u>212,736,226</u>
Total liabilities and net position	<u>\$ 323,990,309</u>	<u>\$ 337,672,873</u>	<u>\$ 345,229,422</u>

Cash and Investments

The Fund carried cash, cash equivalents and investments of \$302.5 million at August 31, 2018, \$324.7 million at August 31, 2017, and \$329.4 million at August 31, 2016. The Fund's investments are made in accordance with the Fund's Investment Policy, which is reviewed and approved annually by the Fund's Board of Trustees. The Fund's investments consist primarily of corporate and government bonds, mortgage backed securities and equity mutual funds.

Reserves

Reserves for losses and loss adjustment expenses were approximately \$95.7 million at August 31, 2018, \$106.6 million at August 31, 2017, and \$105.6 million at August 31, 2016. Actuarial projected reserves decreased by approximately \$10.9 million during 2018. The majority of this decrease is directly related to better than expected claim development in the Fund's Property program.

The Fund discounts its workers' compensation reserves to reflect an estimate of anticipated investment earnings on accumulated contributions during the payout period of the reserves. The Fund discounts reserves due to the relatively low variability in the amount and timing of future loss payments. Accordingly, reserves are presented at net present value using a discount rate of 4% as of August 31 of each year. The reserve discount as of August 31, 2018, 2017, and 2016, was \$13.3 million, \$13.6 million, and \$16.4 million.

Net Position – Members' Equity

Net Position (Members' Equity) decreased by approximately \$6.1 million during 2017-2018, \$9.4 million during 2016-2017, and \$11.4 million during 2015-2016. The decrease during 2017-2018 was primarily due to high property claims during the year and unrealized losses in our investment portfolio due to market volatility.

As of August 31, 2018, there were no amounts of Net Position that the Fund's Board of Trustees had declared restricted as all such funds were determined necessary for operations of the Fund. At the end of the current fiscal year, Net Position totaled \$197.3 million.

The Statements of Revenue, Expenses and Changes in Net Position – Fiscal years ended August 31, 2018, 2017, and 2016

**Comparative Condensed Statements of
Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2018, 2017, and 2016**

	2018	2017	2016
Operating revenues:			
Gross contributions earned	\$99,969,751	\$ 90,984,306	\$ 82,597,057
Other revenue	418,072	437,495	374,750
Stop-loss and reinsurance premiums	<u>(15,699,276)</u>	<u>(14,136,491)</u>	<u>(15,083,249)</u>
Net operating revenues	84,688,547	77,285,310	67,938,097
Non-operating revenues:			
Investment income – net of expenses	10,951,525	10,966,495	11,320,872
Realized and change in unrealized gains (losses) from investments	<u>(2,162,546)</u>	<u>6,554,166</u>	<u>7,572,990</u>
Net non-operating revenue	<u>8,788,979</u>	<u>17,520,661</u>	<u>18,893,862</u>
Total revenues	<u>93,477,526</u>	<u>94,805,971</u>	<u>86,831,959</u>
Operating expenses:			
Net incurred losses	60,929,875	65,825,464	60,211,549
Administrative and other expenses	<u>38,610,769</u>	<u>38,347,598</u>	<u>38,001,392</u>
Total operating expenses	<u>99,540,644</u>	<u>104,173,062</u>	<u>98,212,941</u>
Change in net position	(6,063,118)	(9,367,091)	(11,380,982)
Members' Equity -- Beginning of the year	<u>203,369,135</u>	<u>212,736,226</u>	<u>224,117,208</u>
Members' Equity -- End of year	<u><u>\$197,306,017</u></u>	<u><u>\$ 203,369,135</u></u>	<u><u>\$ 212,736,226</u></u>

Contributions

Member contributions are the Fund's main source of revenue and are recorded upon execution of the Interlocal Participation Agreement (IPA) and recognized as earned. These documents between the Fund and its members set forth the coverage terms, agreement period, required contribution, and the obligations of the parties.

For the fiscal years ended August 31, 2018, 2017, and 2016, the Fund reported earned contributions and Administrative-Services-Only (ASO) fees of \$100.0 million, \$91.0 million, and \$82.6 million. Contributions increased for all program lines primarily due to increases in contribution rates.

Net operating revenue is calculated using program revenue, other revenue, and stop loss premiums expensed during the fiscal year. For the fiscal years ended August 31, 2018, 2017, and 2016, the Fund reported net operating revenue of \$84.7 million, \$77.3 million, and \$67.9 million. Net operating revenue increased in 2018 primarily due to the increase of contributions for all program lines.

The Fund continues to operate in a very competitive market where participants offer generally flat rates. Though contributions increased, various factors will offset these increases to a certain degree. Growth in the workforce will result in larger contributions for the Workers' Compensation line of business, but healthcare expenses are also anticipated to increase. Contributions for the Auto and Property lines of business are expected to increase 10% due to rate increases. The increase in rates is a part of our recovery process, implemented to curb the large losses sustained by the programs over recent years.

Investment Income, realized and change in unrealized gains (losses) from investments

Investment income continues to contribute significantly to the Fund's overall financial strategy. Interest and dividend earnings on fixed investment securities compose a large part of investment income. The Fund marks to market all investments on a monthly basis. The Fund reports realized and unrealized gains or losses from investments as a component of the results from operations. The Fund earned \$11.0 million in investment income (net of fees) for the year ended August 31, 2018, compared to \$11.0 million for the year ended August 31, 2017, and \$11.3 million for the year ended August 31, 2016. Net non-operating revenue includes the change in unrealized gains or losses, realized gains or losses, and interest and dividend earnings net of fees.

Program Expenses

As of August 31, 2018, 2017, and 2016, total expenses were \$99.5 million, \$104.2 million, and \$98.2 million respectively. During the 2017-2018 fiscal year, the decrease in expenses resulted from a decrease in net incurred losses for the Property and Liability programs. During the 2016-2017 fiscal year, the increase in expenses resulted from an increase in incurred losses for the Property, Liability, and Automobile programs.

The Fund has no staff. Instead, it contracts with TASB for administration and management of its programs and it reports this expense as Program Administrative Fees. TASB performs marketing, underwriting, claims administration, loss prevention, financial operations, and other administrative and operational activities on behalf of the Fund. The Fund has a Service Agreement with TASB and pays TASB an administrative fee for TASB's responsibilities as outlined in the Service Agreement. The administrative fee is approved annually by the Fund's Board of Trustees and reimburses TASB's actual costs incurred for administration of the Fund's programs. The Fund incurred TASB administrative fees of \$28.1 million, \$26.9 million, and \$26.1 million as of August 31, 2018, 2017, and 2016, respectively.

In addition to the Service Agreement for administration of the Fund's program, the Fund and TASB have entered into an Affinity and License Agreement. The Agreement recognizes the role that TASB played in creation of the Fund, and allows the Fund to use TASB's name and logo. The sponsorship and license fee was \$1.8 million as of August 31, 2018, 2017, and 2016, and is reported as sponsorship fees.

**TEXAS ASSOCIATION OF SCHOOL BOARDS
RISK MANAGEMENT FUND**

**STATEMENTS OF NET POSITION
AS OF AUGUST 31, 2018 AND 2017**

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,318,487	\$ 13,469,331
Mutual funds	66,508,369	73,318,175
Fixed income securities	8,590,436	10,685,215
Contributions receivable	8,044,879	7,183,523
Stop loss coverage receivable	11,034,308	2,517,406
Accrued interest receivable	1,893,723	2,025,381
Investment Securities Sold	-	485,000
Prepaid expenses and other assets	<u>236,354</u>	<u>432,744</u>
Total current assets	<u>102,626,556</u>	<u>110,116,775</u>
Non-current assets:		
Fixed income securities	221,101,685	227,194,030
Other assets	<u>262,068</u>	<u>362,068</u>
Total non-current assets	<u>221,363,753</u>	<u>227,556,098</u>
TOTAL ASSETS	<u>\$ 323,990,309</u>	<u>\$ 337,672,873</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Reserve for losses and LAE at estimated net present value	\$ 37,443,487	\$ 43,923,056
Unemployment compensation claims payable	1,023,203	1,293,334
Unearned contributions - net of prepaid stop loss premiums	17,361,622	15,871,804
Checks payable on losses	3,479,644	2,781,637
Accrued expenses and other liabilities	<u>9,107,998</u>	<u>7,784,713</u>
Total current liabilities	<u>68,415,954</u>	<u>71,654,544</u>
Non-current liabilities:		
Reserve for losses and LAE at estimated net present value	<u>58,268,338</u>	<u>62,649,194</u>
Total non-current liabilities	<u>58,268,338</u>	<u>62,649,194</u>
Total liabilities	<u>126,684,292</u>	<u>134,303,738</u>
Net Position:		
Members' Equity (Unrestricted)	<u>197,306,017</u>	<u>203,369,135</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 323,990,309</u>	<u>\$ 337,672,873</u>

See notes to financial statements.

**TEXAS ASSOCIATION OF SCHOOL BOARDS
RISK MANAGEMENT FUND**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017**

	2018	2017
OPERATING REVENUES:		
Member contributions	\$ 97,073,386	\$ 88,071,035
Administrative-service-only fees	2,896,365	2,913,271
Other revenue	418,072	437,495
Stop-loss and reinsurance premiums	<u>(15,699,276)</u>	<u>(14,136,491)</u>
Net operating revenue	<u>84,688,547</u>	<u>77,285,310</u>
OPERATING EXPENSES:		
Claims expense	95,882,280	70,422,392
Reinsurance recoveries	<u>(34,952,405)</u>	<u>(4,596,928)</u>
Net incurred losses	60,929,875	65,825,464
Unemployment compensation claim reimbursements	5,965,335	6,617,941
Program administrative fees	28,067,928	26,859,842
General and administrative	2,487,620	2,825,401
Contract service fees	144,315	112,443
Sponsorship and royalties	<u>1,945,571</u>	<u>1,931,971</u>
Total operating expenses	<u>99,540,644</u>	<u>104,173,062</u>
OPERATING (LOSS) INCOME	<u>(14,852,097)</u>	<u>(26,887,752)</u>
NON-OPERATING REVENUES:		
Investment Income — Net of expenses	10,951,525	10,966,495
Realized and change in unrealized gains (losses) from investments	<u>(2,162,546)</u>	<u>6,554,166</u>
NON-OPERATING REVENUE, NET	<u>8,788,979</u>	<u>17,520,661</u>
CHANGE IN NET POSITION	(6,063,118)	(9,367,091)
NET POSITION:		
Members' Equity (Unrestricted) Beginning of year	<u>203,369,135</u>	<u>212,736,226</u>
Members' Equity (Unrestricted) End of year	<u>\$ 197,306,017</u>	<u>\$ 203,369,135</u>

See notes to financial statements.

**TEXAS ASSOCIATION OF SCHOOL BOARDS
RISK MANAGEMENT FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash from members	\$ 100,598,213	\$ 91,514,684
Cash from reinsurers	18,428,489	16,767,420
Claims paid, including unemployment compensation claims	(104,273,150)	(83,881,213)
Cash paid to reinsurers	(15,402,887)	(14,167,126)
Cash paid to vendors and TASB	(30,699,862)	(29,797,685)
Cash paid in royalties	(1,945,571)	(1,931,971)
Other uses of cash	<u>1,741,357</u>	<u>(674,754)</u>
Net cash used in operating activities	<u>(31,553,411)</u>	<u>(22,170,645)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(64,936,797)	(75,902,187)
Proceeds from sales and maturities of investments	78,256,182	83,691,078
Investment income	<u>11,083,182</u>	<u>11,008,542</u>
Net cash provided by investing activities	<u>24,402,567</u>	<u>18,797,433</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,150,844)	(3,373,212)
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>13,469,331</u>	<u>16,842,543</u>
End of year	<u>6,318,487</u>	<u>13,469,331</u>
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating (loss) income	(14,852,097)	(26,887,752)
Adjustments to reconcile net excess of revenues over expenses to net cash used in operating activities:		
(Increase) decrease in contributions receivable	(861,356)	(1,632,128)
(Increase) decrease in stop-loss coverage receivable	(8,516,902)	4,569,329
(Increase) decrease in prepaid expenses and other assets	296,390	(30,635)
(Decrease) increase in deposits from members	-	(250,000)
(Decrease) increase in unearned contributions, net of stop-loss premiums	1,489,818	2,412,507
(Decrease) increase in checks payable on losses	698,007	(69,859)
(Decrease) increase in reserve for losses and loss adjustment expenses at estimated net present value	(10,860,425)	999,989
(Decrease) increase in unemployment compensation claims payable	(270,131)	(169,847)
(Decrease) increase in accrued expenses and other liabilities	<u>1,323,285</u>	<u>(1,112,249)</u>
NET CASH USED IN OPERATING ACTIVITIES	\$ (31,553,411)	\$ (22,170,645)
NONCASH ACTIVITIES		
Change in unrealized gains (losses) from investments	<u>\$ (2,229,683)</u>	<u>\$ 6,766,190</u>



Reinsurance Information

Reinsurance Information

General Liability, Professional Legal Liability and Auto Liability Pool Reinsurance Company	General Reinsurance Corporation Best Rating A++
Specific Attachment Point	\$1,000,000 per occurrence
Specific Limit	\$5,000,000
Aggregate Attachment Point	No aggregate attachment point
Aggregate Limit	
Auto Physical Damage Pool Reinsurance Co.	The Fund does not purchase reinsurance for auto physical damage
Property, Flood, Earthquake Pool Reinsurance Company	The Fund's property reinsurance is a multi-layered program with many carriers based domestically and in London. All carriers have an AM Best rating of A-, or better
Specific Attachment Point	\$5,000,000
Aggregate Attachment Point	\$35,000,000
Property Limit	\$500,000,000
Flood and Earthquake Sub-Limit	\$150,000,000
Equipment Breakdown Pool Reinsurance Company	Hartford Steam Boiler
Specific Attachment Point	\$100,000 attachment
Limit of Liability	\$100,000,000
Aggregate Limit	\$500,000 annual aggregate stop loss



Certificate of Coverage



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/4/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Alliant Insurance Services, Inc. 5444 Westheimer, Suite 900 Houston TX 77056	CONTACT NAME: Christi Howell PHONE (A/C, No, Ext): 713-470-4380 E-MAIL ADDRESS: chowell@alliant.com	FAX (A/C, No): 713-470-4381													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Continental Casualty Insurance Company</td> <td>20443</td> </tr> <tr> <td>INSURER B : Scottsdale Insurance Company</td> <td>41297</td> </tr> <tr> <td>INSURER C : American Casualty Company of Reading,</td> <td>20427</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Continental Casualty Insurance Company	20443	INSURER B : Scottsdale Insurance Company	41297	INSURER C : American Casualty Company of Reading,	20427	INSURER D :		INSURER E :		INSURER F :
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INSURER E :															
INSURER F :															
INSURED Texas Association of School Boards, Inc. P.O. Box 400 Austin, TX 78768															

COVERAGES **CERTIFICATE NUMBER: 520817900** **REVISION NUMBER: 1**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			6072148214	9/1/2018	9/1/2019	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 15,000
							PERSONAL & ADV INJURY	\$ Excluded
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ Included above
								\$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			6072148245	9/1/2018	9/1/2019	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			CXS0007534	9/1/2018	9/1/2019	EACH OCCURRENCE	\$ 10,000,000
							AGGREGATE	\$ 10,000,000
							DEDUCTIBLE/RETENTION	\$ 0
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			6072148231	9/1/2018	9/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

TASB Risk Management Fund
 P.O. Box 400
 Austin TX 78768-0400

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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TEXAS RISK POOL CERTIFICATE OF LIABILITY COVERAGE

DATE (MM/DD/YYYY)
11.6.2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE RISK POOL BELOW. THIS CERTIFICATE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING RISK POOL, AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL COVERED ENTITY / PERSON, the terms of coverage(s) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the coverage, certain terms of coverage may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER COVERED ENTITY / PERSON TASB Risk Management Fund PO Box 301 Austin TX 78767-0301	CONTACT NAME: Dubravka Romano PHONE (A/C, No, Ext): 800-482-7276 FAX (A/C, No): 512-467-3645 E-MAIL ADDRESS: dubravka.romano@tasb.org PRODUCER CUSTOMER ID: RISK POOL AFFORDING COVERAGE RISK POOL A : TASB Risk Management Fund RISK POOL B : RISK POOL C :
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COVERAGES	CERTIFICATE NUMBER	REVISION NUMBER
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THIS IS TO CERTIFY THAT THE COVERAGES LISTED BELOW HAVE BEEN ISSUED TO THE COVERED ENTITY / PERSON NAMED ABOVE FOR THE COVERAGE PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE COVERAGE DOCUMENTS DESCRIBED HEREIN ARE SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH COVERAGE DOCUMENTS. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR	TYPE OF COVERAGE	ADDL SUBR	EFFECTIVE DATE (MM/DD/YYYY)	EXPIRATION DATE (MM/DD/YYYY)	LIMITS
LTR		USA - comp			
	GENERAL LIABILITY				EACH OCCURRENCE \$ 1,000,000
	COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ Excluded
	CLAIMS-MADE OCCUR				MED EXP (Any one person) \$ Excluded
	General Liability				PERSONAL & ADV INJURY \$ Included
					GENERAL AGGREGATE \$ N/A
					PRODUCTS - COM/PROP AGG \$ Excluded
	GEN'L AGGREGATE LIMIT APPLIES PER				EMPLOYEE BENEFITS LIAB \$ 100,000
	POLICY PRO. LOC				\$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
					\$
A	Professional Liability		12.1.2018	12.1.2019	\$5,000,000 Per Occurrence Limit/ \$5,000,000 Annual Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER To Whom It May Concern	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE PROVISIONS IN THE COVERAGE DOCUMENTS. AUTHORIZED REPRESENTATIVE 
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