



# **PennPRIME**

**INSURANCE TRUSTS** | A Service Program of The League

## **LIABILITY COVERAGE DOCUMENT**

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**I. GENERAL CONDITIONS APPLICABLE TO ALL COVERAGES**

**A. Defense and Settlement**

The Agreement of Trust of Penn Prime Trust dated August 13, 1987 (the "Trust") shall have the right and duty to defend any Suit against a Covered Party seeking Damages which are payable under the terms of these Coverage Documents.

The Trust shall have the right to make any investigations of any Claims it deems necessary and to make settlements without the written consent of the Covered Party to the extent authorized by the guidelines adopted by the Trust's board. All other settlements shall require the written consent of the Covered Party.

If the Covered Party shall refuse to consent to any settlement or compromise recommended by the Trust and acceptable to the claimant and elects to contest the Claim, Suit or proceeding, then the Trust's liability shall not exceed the amount for which the Trust would have been liable for Damages and Claims Expenses if the Claim or Suit or proceeding had been so settled or compromised, when and as so recommended, and the Trust shall have no liability for Claims Expenses accruing thereafter and the Trust shall have the right to withdraw from the further defense thereof by tendering control of said defense to the Covered Party.

It is further provided that the Trust shall not be obligated to pay any Claim, judgment, award of Claims Expenses, or to undertake or continue defense of any Suit or proceeding after the applicable limit of the Trust's liability has been exhausted by payment of judgments, awards, settlements, or Claims Expenses or after deposit of the applicable limit of the Trust's liability in a court of competent jurisdiction, and that in such a case, the Trust shall have the right to withdraw from the further defense thereof by tendering control of said defense to the Covered Party.

**B. Defined Words**

Words or phrases which appear in these Coverage Documents which are defined in the Definitions Section or in the Coverage Parts of these Coverage Documents, shall have meaning as set forth therein. Otherwise, words or phrases used shall have their ordinary meaning attached to their usage. The use or lack of use of (i) bold type, (ii) initial letter or full capitalization, (iii) enclosure within quotation marks, or (iv) other indices usually associated with definitions, shall not affect the meaning to be attributed to words or phrases defined in these Coverage Documents.

**C. Duties in the Event of an Accident, Occurrence, Claim or Suit**

You must see to it that we are notified as soon as practicable of an Accident or Occurrence which may result in a Claim or Suit. To the extent possible, notice should include:

1. How, when and where the Accident or Occurrence took place;
2. The names and addresses of any injured persons and witnesses; and
3. The nature and location of any injury or damage arising out of the Accident or Occurrence.

Notice of an Accident or Occurrence is not notice of a Claim.

If a Claim is made or Suit is brought against any Covered Party you must:

1. Immediately record the specifics of the Claim and the date received; and
2. Notify us as soon as practicable.

You must see to it that we receive written notice of the Claim or Suit as soon as practicable. You and any other involved Covered Party must:

1. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the Claim or Suit;
2. Authorize us to obtain records and other information;
3. Cooperate with us in the investigation, settlement or defense of the Claim or Suit; and
4. Assist us, upon our request, in the enforcement of any right against any person or organization which may be

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liable to the Covered Party because of injury or damage to which this coverage may also apply.

No Covered Party will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

***D. Actions Against the Trust***

No person or organization has a right under these Coverage Documents:

1. To join us as a party or otherwise bring us into a Suit asking for Damages for a Covered Party; or
2. To sue us on these Coverage Documents unless there shall have been full compliance with all of the terms and conditions of these Coverage Documents.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against a Covered Party obtained after an actual trial; but we will not be liable for Damages that are not payable under the terms of these Coverage Documents or that are in excess of the applicable limit of the Trust's liability. An agreed settlement means a settlement and release of liability signed by us, the Covered Party and the claimant or the claimant's legal representative.

***E. Subrogation***

In the event of any payment under these Coverage Documents, the Trust shall be subrogated to all the Covered Party's rights of recovery thereof against any person or organization and the Covered Party shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Covered Party shall do nothing after loss to prejudice such rights.

***F. Transfer of Rights and Duties Under This Coverage Document***

No rights and duties under this Coverage Document may be transferred without our written consent except in the case of death of an individual Covered Party.

If an individual Covered Party dies, that Covered Party's rights and duties will be transferred to that Covered Party's legal representative, but only while acting within the scope of their duties as that Covered Party's legal representative. Until the legal representative is appointed, anyone having proper temporary custody of that Covered Party's property will have that Covered Party's rights and duties but only with respect to that property.

***G. Insolvency***

Bankruptcy or insolvency of any Covered Party will not relieve us of our obligation under these Coverage Documents.

***H. Inspection and Audit***

1. We shall be permitted but not obligated to inspect your property and operations at any time. Neither our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on your behalf or for your benefit or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule, or regulation.
2. We may examine and audit your books and records at any time during the Coverage Period and extensions thereof and within three years after the final termination of these Coverage Documents.

***I. Termination***

Coverage may be terminated as per paragraph 6. Term and Termination, in the Penn PRIME Trust Member Participation Agreement.

***J. Changes***

The Member shown on page 1 of the Coverage Declarations is authorized to make changes in the terms of these Coverage Documents with our consent. The terms of these Coverage Documents can be amended or waived only by endorsement issued by us and made a part of these Coverage Documents.

***K. Member Contributions***

We will compute all contributions in accordance with the provisions of the Member Participation Agreement.

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***L. Representations***

By accepting these Coverage Documents, you agree:

1. The statements in the application are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued these Coverage Documents in reliance upon your representations.

***M. Separation of Covered Parties***

Except with respect to the Limits of Liability, and any right or duties specifically assigned to you, this coverage applies:

1. As if each Member were the only Member; and
2. Separately to each Covered Party against whom Claim is made or Suit is brought.

***N. Coverage Territory***

Coverage only applies to Claims or Suits brought against the Covered Parties within the Coverage Territory, for Accidents or Occurrences that take place within the Coverage Territory, as defined in Section II, DEFINITIONS.

***O. Reimbursable Deductible***

It is agreed that:

1. Our obligation under these Coverage Documents to pay Damages and Claims Expense on your behalf shall be subject to the stated Limits of Liability less the stated deductible amount.
2. The deductible amounts stated in the Coverage Declarations apply:
  - a) Separately to each Coverage part applicable to an Accident or Occurrence;
  - b) Separately to each Accident or Occurrence;
  - c) To all Damages and Claims Expense as a result of that Accident or Occurrence;
3. The terms of these Coverage Documents, including those with respect to:
  - a) Our rights and duties with respect to the defense of Suits; and
  - b) Your duties in the event of a loss,apply irrespective of the application of the deductible amount.
4. We may pay any part or the entire deductible amount to effect settlement of any Claim or Suit and upon notification of the action taken, you shall promptly reimburse us for such payment we made.

***P. Coordination of Limits***

In the event an Accident or Occurrence is covered by more than one of the following coverages:

1. General Liability Coverage;
2. Employee Benefit Liability Coverage;
3. Auto Liability Coverage; and
4. Public Law 477 Liability Coverage,

any amount of Damages paid under one coverage for that Accident or Occurrence shall reduce the Limits of Liability for any other applicable coverage for that Accident or Occurrence, by the amount of Damages paid.

***Q. Governmental and Official Immunity***

The Covered Party shall not waive any of the immunities provided by the Pennsylvania Political Subdivision Tort Claims Act (referring to 42 Pa. C. S. Sec. 8501 et seq.).

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## II. DEFINITIONS

Throughout these Coverage Documents, the words **you** and **your** refer to the Member shown in the Coverage Declarations. The words **we**, **us** and **our** refer to the Trust providing this coverage.

As used in these Coverage Documents, the following definitions shall apply:

1. **Abuse and Molestation** means any illegal or offensive physical contact committed by any person against another person who is under the age of 18, legally incompetent or in the care custody or control of any Covered Party and is physically or mentally incapable of consenting to such physical act or contact.
2. **Accident** includes continuous or repeated exposure to the same conditions resulting in Bodily Injury or Property Damage. This definition only applies to Auto Coverage.
3. **Act** means the Pennsylvania Motor Vehicle Financial Responsibility Law (75 Pa.C.S. Sec. 1701, et seq.).
4. **Administration** means:
  - a) The determination of the eligibility of employees to participate in Employee Benefit Programs;
  - b) The enrollment of employees in those programs;
  - c) The keeping of records as to those programs;
  - d) Interpreting the provisions of those programs; and
  - e) The giving of advice or counsel to employees or their beneficiaries as to their rights or interests in those programs.
5. **Advertising Injury** means injury arising out of one or more of the following offenses:
  - a) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b) Oral or written publication of material that violates a person's right of privacy;
  - c) Misappropriation of advertising ideas or style of doing business; or
  - d) Infringement of copyright, title or slogan.

The offense giving rise to an Advertising Injury must happen during the Coverage Period.

  - e) .
6. **Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but Auto does not include Mobile Equipment.
7. **Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
8. **Claim** means a demand by a person or organization against a Covered Party in which Damages are sought. A Claim is not necessarily a Suit.
9. **Claims Expense** means all expenses incurred by us, or by a Covered Party with our consent, in the investigation, negotiation, arbitration, settlement or defense of any Claim or Suit. Claims Expense includes:
  - a) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limits of Liability;
  - b) Premiums on bonds to release attachments in a Suit we defend, but only for bonds up to our Limits of Liability; and
  - c) Premiums on appeal bonds in any Suit we defend.

Claims Expense does not include Damages or salaries and expenses of employees of the Covered Party or fees paid to our claim administrator.

10. **Confidential Personal Information** means a natural person's name, social security number, medical or



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healthcare data records, driver's license number, credit or debit card numbers, address, telephone number, account number, password or other non-public information as defined in Privacy Regulations. This does not include information that is lawfully made available to the general public for any reason.

11. **Coverage Declarations** means the document which sets forth information that identifies, by Member, the applicable Coverage Sections, the amount of any deductible, the Coverage Period, the Limits of Liability, any endorsements to these Coverage Documents and attachments thereto.
12. **Coverage Document** means the PennPRIME Trust Liability Coverage Document.
13. **Covered Party** is separately defined in each coverage agreement. Refer to "Covered Parties" in the applicable coverage agreement.
14. **Covered Party Contract** means:

- a) A lease of premises;
- b) A sidetrack agreement;
- c) An easement or license agreement except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d) An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
- e) An elevator maintenance agreement; or
- f) That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay Damages because of Bodily Injury or Property Damage to a third person or organization, if the contract or agreement is made prior to the Bodily Injury or Property Damage. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

A Covered Party Contract does not include that part of any contract or agreement:

- a) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - i) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, drawings or specifications; or
    - ii) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - b) Under which the Covered Party, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the Covered Party's rendering or failing to render professional services, including those listed in a) above, and supervisory, inspection or engineering services;
  - c) That indemnifies any person or organization for damage by fire to premises rented or loaned to you;
  - d) That indemnifies a railroad for Bodily Injury or Property Damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - e) That pertains to the loan, lease or rental of an Auto to you or any of your employees, if the Auto is loaned, leased or rented with a driver; or
  - f) That holds a person or organization engaged in the business of transporting property by Auto for hire harmless for use of a Covered Auto over a route or territory that the person or organization is authorized to serve by public authority.
15. **Coverage Period** means the period from 12:01 a.m. of the effective date to 12:01 a.m. of the expiration date shown on the Coverage Declarations of these Coverage Documents.
16. **Coverage Territory** means:
- a) The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b) International waters or airspace, provided the injury or damage does not occur in the course of travel or

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transportation to or from any place not included in a) above; or

- c) Except with respect to liability resulting from the ownership, maintenance or use of Autos, all parts of the world if:
- (1) The injury or damage arises out of:
    - (i) Goods or products made or sold by you in the territory described in a) above; or
    - (ii) The activities of a person whose home is in the territory described in a) above, but is away for a short time on your business; and
  - (2) The Covered Party's responsibility to pay Damages is determined in a Suit on the merits, in the territory described in a) above, or in a settlement we agree to.

17. **Damages** means monetary judgment, award, or settlements. Damages does not include fines, assessments, civil penalties or any punitive or exemplary damages whatsoever, nor does it include prejudgment interest or delay damages if the imposition or award of such interest or damages results in a Covered Party's liability in excess of our Limits of Liability. However, we will pay delay damages or prejudgment interest to the extent the total award or settlement, including such interest or damages, is within our Limits of Liability. Damages does not include Claims Expense.

18. **Employee Benefit Injury** means injury that arises out of any act, error or omission in the Administration of your Employee Benefit Programs that took place on or after December 1, 1987.

19. **Employee Benefit Programs** means a program providing some or all of the following benefits to Employees, whether provided through a Cafeteria Plan or otherwise:

- a) Group life insurance, group accident and health insurance, dental, vision or hearing plans, flexible spending accounts provided that no one other than an Employee may subscribe to such benefits and such benefits are made generally available to those Employees that satisfy the plan's eligibility requirements;
- b) Pension, employee savings plans and profit sharing plans provided that no one other than an Employee may subscribe to such benefits and such benefits are made generally available to those Employees that satisfy the plan's eligibility requirements;
- c) Vacation plans, leave of absence programs, including military, maternity, family, and civil leave and tuition assistance plans; or
- d) Any similar programs offered to your Employees and their beneficiaries in the United States of America, its territories and possessions, Puerto Rico and Canada.

It also includes workers compensation, disability benefits, unemployment insurance and social security benefits.

As used in this definition, Employee means a person actively employed, formerly employed, on leave of absence or disabled or retired. Employee does not include a temporary worker or volunteer. Cafeteria Plan means a plan authorized by applicable law to allow Employees to elect to pay for certain benefits with pre-tax dollars.

20. **Employment Practices Wrongful Act** means:

- a) Wrongful dismissal, discharge or termination of employment, whether actual or constructive;
- b) Violation of federal, state or local laws concerning employment or discrimination in employment;
- c) Workplace harassment including sexual harassment;
- d) Wrongful failure to employ or promote;
- e) Wrongful demotion or deprivation of career opportunity;
- f) Negligent training, supervision or evaluation;
- g) Wrongful coercion, discipline or retaliation;
- h) Employment-related libel, slander, humiliation, defamation or invasion of privacy;
- i) Employment-related misrepresentation;

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- j) Failure to provide or enforce workplace or employment policies and procedures; and
  - k) Wrongful reference.
21. **Good Samaritan** means your elected and appointed officials, employees and volunteers while acting independently of their duties on your behalf, but only when, in good faith, they render emergency care at the scene of the emergency and they have no expectation of any compensation as a result of their actions. In no event will any person who responds to the scene of an emergency with or for any other emergency service organization of any governmental entity other than you be considered a Good Samaritan.
22. **Harmful Agents** means:
- a) Pollution comprising any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  - b) Asbestos or asbestos containing products or materials, either alone or in combination with other substances or factors whether or not airborne as a particle or fiber, contained in or formed as part of a compound, product, structure or other property, ingested or inhaled, or found in any form whatsoever.
  - c) Silica in any form or any substance containing silica, either alone or in combination with other substances or factors, whether or not airborne as a particle or fiber, contained in or formed as part of a compound, product, structure or other property, ingested or inhaled, or found in any form whatsoever.
  - d) Lead in any form or any substance containing lead, either alone or in combination with other substances or factors, whether or not deteriorated, eroded, contained in or formed as part of a compound, product, structure or other property, ingested, absorbed, or inhaled, or found in any form whatsoever.
  - e) Pathogens including any bacteria, virus, fungi or other microorganism capable of inducing physical distress, disease or illness to its host, including death. Fungi means any form or type of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
  - f) Nuclear reaction, radioactive contamination or any radiation of any kind, including but not limited to nuclear radiation and electromagnetic radiation.
23. **Hired Auto** means an Auto you lease, hire, rent or borrow including Autos hired and rented under a contract or agreement in the name of your elected and appointed officials and employees while performing their duties on your behalf.
- Hired Auto does not include any Auto you lease, rent or borrow from any of your elected and appointed officials, employees, volunteers or members of their households.
24. **Impaired Property** means tangible property other than Your Product or Your Work, that cannot be used or is less useful because:
- a) It incorporates Your Product or Your Work that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b) You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a) The repair, replacement, adjustment or removal of Your Product or Your Work; or
  - b) Your fulfilling the terms of the contract or agreement.
25. **Industrial Waste** means a liquid, gaseous, radioactive, solid or other substance, which is not sewage, resulting from manufacturing or industry or other plant or works and mine drainage, silt, coal mine solids, rock, debris, dirt and clay from coal mines, coal collieries, breakers or other coal processing operations. Industrial Waste also includes substances whether or not generally characterized as waste.
26. **Law Enforcement Activities** means:
- a) Those activities conducted by your police department or agency; and
  - b) Departmentally approved moonlighting.

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27. **Loading or Unloading** means the handling of property:

- a) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or Auto;
- b) While it is in or on an aircraft, watercraft or Auto; or
- c) While it is being moved from an aircraft, watercraft or Auto to the place where it is finally delivered;

but Loading or Unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or Auto.

28. **Member** shall mean the political subdivision named in the Coverage Declarations and any board, authority, administrative department or other similar unit operated by or under your jurisdiction which is reported to us in the most recent application or by written notice thereafter.

29. **Mobile Equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

- a) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b) Vehicles maintained for use solely on or next to premises you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an Auto and not Mobile Equipment if the only reason for considering it Mobile Equipment is that it is maintained for use exclusively on streets or highways owned by you;
- c) Vehicles that travel on crawler treads;
- d) Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e) Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f) Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not Mobile Equipment but will be considered Autos:

- (1) Equipment designed primarily for:
  - i) Snow removal;
  - ii) Road maintenance, but not construction or resurfacing;
  - iii) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

30. **Non-Owned Auto** means only those Autos you do not own, lease, hire, rent or borrow which are used in connection with your business. This includes Autos owned by:

- a) Your elected and appointed officials;

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- b) Your employees;
- c) Your volunteers; or
- d) Members of their households.

31. **Occupying** means in, upon, getting in, getting on, getting out or getting off.

32. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. Occurrence also means an event, including continuous or repeated exposure to substantially the same general harmful conditions, which results in Bodily Injury arising from the rendering or failure to render medical professional services by your emergency medical technicians.

33. **Perpetrator** means a person who committed Abuse and Molestation or who knew of, consented to or directed others to commit Abuse and Molestation.

34. **Personal Injury** means injury, including mental anguish or mental injury but other than Bodily Injury, arising out of one or more of the following offenses:

- a) False arrest, detention or imprisonment;
- b) Malicious prosecution;
- c) Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
- d) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e) Oral or written publication of material that violates a person's right of privacy.

35. **Privacy Liability Wrongful Act** means the failure by the Covered Party or by an independent contractor for which the Covered Party is legally responsible to properly handle, manage, store, destroy or otherwise control Confidential Personal Information in any format, or third party corporate information in any format specifically identified as confidential and protected under a nondisclosure agreement or similar contract, or an unintentional violation of the Covered Party's privacy policy that results in the violation of any Privacy Regulations.

36. **Privacy Regulations** means identity theft and privacy protection legislation that requires commercial entities that collect Confidential Personal Information to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that Confidential Personal Information has potentially been compromised.

37. **Products-Completed Operations Hazard:**

Products-Completed Operations Hazard includes all Bodily Injury and Property Damage occurring away from premises you own or rent and arising out of Your Product or Your Work except:

- a) Products that are still in your physical possession; or
- b) Work that has not yet been completed or abandoned.

Your Work will be deemed completed at the earliest of the following times:

- a) When all of the work called for in your contract has been completed.
- b) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete will be treated as completed.

This hazard does not include Bodily Injury or Property Damage arising out of:

- i) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the loading or unloading of it; and
- ii) The existence of tools, uninstalled equipment or abandoned or unused materials.

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38. **Property Damage** means:

- a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the Occurrence that caused it.

As used in this definition, tangible property does not include electronic data, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, data processing devices or any media which are used with electronically controlled equipment.

39. **Suit** means a civil proceeding in which Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury, to which coverage applies are alleged. Suit includes:

- a) An arbitration proceeding in which such Damages are claimed and to which you must submit or do submit with our consent; or
- b) Any other alternative dispute resolution proceeding in which such Damages are claimed and to which you submit with our consent.

40. **Trailer** includes semitrailer.

41. **Trust Fiscal Year** means the annual period ending at 12:01 AM on January 1<sup>st</sup> within which the Coverage Period begins.

42. **Underinsured Motor Vehicle** means a vehicle for which the sum of all liability bonds or policies or coverages which apply at the time of an Accident do not provide at least the amount a Covered Party is legally entitled to recover as Damages. Underinsured Motor Vehicle does not include an Uninsured Motor Vehicle. As used in this definition, Motor Vehicle means a vehicle which is self-propelled except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

43. **Uninsured Motor Vehicle** means a land motor vehicle or Trailer:

- a) For which no liability bond or policy or coverage applies at the time of an Accident.
- b) For which an insuring or bonding company:
  - (1) Denies coverage; or
  - (2) Is or becomes insolvent; or
  - (3) Is or becomes involved in insolvency proceedings.
- c) For which neither the driver nor owner can be identified. The vehicle or Trailer must:
  - (1) Hit a Covered Party, a Covered Auto or a vehicle a Covered Party is Occupying; or
  - (2) Cause an Accident resulting in Bodily Injury to a Covered Party without hitting a Covered Party, a Covered Auto or a vehicle a Covered Party is Occupying.

If there is no physical contact with the hit-and-run vehicle, the facts of the Accident must be proved.

However, an Uninsured Motor Vehicle does not include:

- (1) Any vehicle owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law; or
- (2) Any vehicle designed for use mainly off public roads while not on public roads; or
- (3) An Underinsured Motor Vehicle.

As used in this definition, Motor Vehicle means a vehicle which is self-propelled except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

44. **Your Product** means:

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

Your Product includes:

- a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of Your Product; and
- b) The providing of or failure to provide warnings or instructions.

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

45. **Your Work** means:

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

Your Work includes:

- a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of Your Work; and
- b) The providing of or failure to provide warnings or instructions.

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**III. GENERAL LIABILITY COVERAGE**

**A. Coverage A - Bodily Injury and Property Damage Liability**

**1. Coverage Agreement**

- a) We will pay those sums that the Covered Party becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage to which this coverage applies.
- b) This coverage applies only to Bodily Injury and Property Damage caused by an Occurrence that takes place during the Coverage Period and in the Coverage Territory.
- c) We will have the right and duty to defend the Covered Party against any Suit seeking covered Damages. But:
  - (1) The amount we will pay for Damages is limited as described in Section III. G. - Limits of Liability;
  - (2) We may investigate and settle any Claim or Suit at our discretion;
  - (3) Our right and duty to defend end when we have exhausted the applicable Limit of Liability in the payment of judgments or settlements under Coverage A or B; and
  - (4) We have no duty to defend the Covered Party against any Suit seeking Damages for Bodily Injury or Property Damage to which this coverage does not apply.
- d) No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section III. D. Supplementary Payments -Parts A and B.
- e) Damages because of Bodily Injury include Damages claimed by any person or organization for care, loss of services or death resulting at any time from the Bodily Injury.

**2. Exclusions**

This coverage does not apply to the matters excluded in Section IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES.

In addition, this coverage does not apply to:

- a) Bodily Injury or Property Damage expected or intended from the standpoint of the Covered Party. This exclusion does not apply to Bodily Injury resulting from the use of reasonable force to protect persons or property.
- b) Bodily Injury or Property Damage for which the Covered Party is obligated to pay Damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for Damages:
  - (1) Assumed by you in a contract or agreement that is a Covered Party Contract provided the Bodily Injury or Property Damage occurs subsequent to the execution of the contract or agreement; or
  - (2) That the Covered Party would have in the absence of the contract or agreement.
- c) Any obligation of the Covered Party under workers' compensation, disability benefits or unemployment compensation law or any similar law.
- d) Bodily Injury to:
  - (1) An employee of a Covered Party arising out of and in the course of employment by the Covered Party; or
  - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.This exclusion applies:
  - (1) Whether the Covered Party may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share damages with or repay someone else who must pay damages because of the Bodily Injury.



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This exclusion does not apply to liability assumed by the Covered Party under a Covered Party Contract.

- e) Bodily Injury to any person arising out of any Employment Practices Wrongful Act or the spouse, child, parent, brother or sister of that person as a consequence of Bodily Injury to that person.

This exclusion applies:

- (1) Whether the Covered Party may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share damages with or repay someone else who must pay Damages because of the Bodily Injury.
- f) Bodily Injury or Property Damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, Auto or watercraft owned or operated by or rented or loaned to any Covered Party. Use includes operation and Loading or Unloading.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
  - (2) A watercraft that is:
    - (i) Less than 26 feet long; and
    - (ii) Not being used to carry persons or property for charge;
  - (3) Parking an Auto on, or on the ways next to, premises you own or rent, provided the Auto is not owned by or rented or loaned to you or the Covered Party;
  - (4) Liability assumed under any Covered Party Contract for the ownership, maintenance or use of aircraft or watercraft; or
  - (5) Bodily Injury or Property Damage arising out of the operation of any of the equipment listed in paragraphs f. (2) or f. (3) of the definition of Mobile Equipment (Section II. DEFINITIONS).
- g) Bodily Injury or Property Damage arising out of:
- (1) The transportation of Mobile Equipment by an Auto owned or operated by or rented or loaned to any Covered Party; or
  - (2) The use of Mobile Equipment in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.
- h) Property Damage to:
- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
  - (2) Premises you sell, give away or abandon if the Property Damage arises out of any part of those premises;
  - (3) Property loaned to you;
  - (4) Personal property in the care, custody or control of the Covered Party;
  - (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the Property Damage arises out of those operations; or
  - (6) That particular part of any property that must be restored, repaired or replaced because Your Work was incorrectly performed on it.

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

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

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agreement.

Paragraph (6) of this exclusion does not apply to Property Damage included in the Products-Completed Operations Hazard.

- i) Property Damage to Your Product arising out of it or any part of it.
- j) Property Damage to Your Work arising out of it or any part of it and included in the Products-Completed Operations Hazard.

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

- k) Property Damage to Impaired Property or property that has not been physically injured, arising out of:
  - (1) A defect, deficiency, inadequacy or dangerous condition in Your Product or Your Work, or
  - (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

- l) Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
  - (1) Your Product,
  - (2) Your Work, or
  - (3) Impaired Property;

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

- m) Any liability with respect to any dam arising out of the total or partial collapse, failure or overflow of such dam, unless the dam structure is specified on the Coverage Declarations.
- n) Any Claims or Suits due to:
  - (1) The rendering of or failure to render:
    - (i) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith; or
    - (ii) Any health service or treatment;
  - (2) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
  - (3) The handling of or performing of autopsies on dead bodies; or
  - (4) The Covered Party's ownership, operation, control or direction of any hospital, clinic, nursing home, group home, sanatorium or other premises providing medical services,  
but this exclusion shall not apply to Bodily Injury arising from the rendering or failure to render medical professional services by your emergency medical technicians.
- o) Any liability arising out of the ownership, maintenance, management, service, construction, design, operation, use or entrustment to others, of any airports, runways, hangars, buildings or other properties in connection with aviation activities. This exclusion does not apply as respects rendering or failure to render medical professional services by your emergency medical technicians at an airport or while on board an aircraft that is on the ground.
- p) To Bodily Injury or Property Damage arising out of Law Enforcement Activities.
- q) To Bodily Injury arising from Abuse and Molestation.

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Exclusions c. through e. and g. through h. under Coverage A do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of liability applies to this coverage as described in Section G., Limits of Liability.

**3. Coverage Extensions**

a) Section IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES, Exclusion B., does not apply to:

(1) Bodily Injury or Property Damage resulting directly from the backup of sewage into a building from any sewerage system that you own, operate or maintain, but only if the back-up occurs away from the land you own or lease. This exception also applies to mold that is a direct result of such backup of sewage. This exception does not apply to Bodily Injury or Property Damage:

- (i) Expected or intended by the Covered Party;
- (ii) Resulting from any Industrial Waste in such sewage; or
- (iii) Resulting from Harmful Agents other than sewage and mold.

Furthermore, the sewage back-up must commence within the Coverage Period.

(2) Bodily Injury or Property Damage arising out of heat, smoke or fumes from a hostile fire at or from any premises, site or location, other than a waste disposal site, which is or was at any time owned or occupied by, or rented or loaned to any Covered Party. As used in this extension, a hostile fire means one that becomes uncontrollable or breaks out from where it was intended.

(3) Bodily Injury or Property Damage at or from any premises, site or location, other than a waste disposal site, on which any Covered Party or any contractors or subcontractors working directly or indirectly on any Covered Party's behalf are performing operations if:

- (i) The Bodily Injury or Property Damage arises from the unintentional escape of fuels, lubricants or other operating fluids that are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of Mobile Equipment or its parts; and
- (ii) Such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them; and
- (iii) The Bodily Injury or Property Damage does not arise from the intentional discharge, dispersal or release of such fuels, lubricants or other operating fluids.

(4) Bodily Injury or Property Damage arising out of the application of pesticides by you, if:

- (i) Your employees performing application operations are certified or registered by a federal or state agency to use pesticides; or
- (ii) Your noncertified or nonregistered employees are performing application operations under the instruction and control of a certified applicator who is physically present at any premises, site or location at which such operations are being performed; and
- (iii) The application operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government that apply to those operations.

The term pesticide refers to pesticide as defined in the Pennsylvania Pesticide Control Act of 1973.

(5) Bodily Injury within a building and caused by smoke, fumes, vapors or soot produced by or originating from equipment used to heat, cool or dehumidify the building or equipment that is used to heat water for personal use by the building's occupants and guests, which is or was at any time owned or occupied by or rented or loaned to any Covered Party.

(6) Bodily Injury or Property Damage arising out of the discharge, release or escape of road salt, sand, anti-skid and/or similar materials used by you for snow and ice control, if:

- (i) The Bodily Injury or Property Damage is caused by your storage of such materials or the use of such materials by you or others for whom you are liable, on streets or roads you own or are

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obligated to maintain; and

- (ii) The Bodily Injury or Property Damage commences abruptly during the Coverage Period and ends within seventy-two (72) hours of commencement; and
  - (iii) The Bodily Injury or Property Damage becomes known to a Covered Party and is reported to us within thirty (30) days of the commencement; and
  - (iv) The storage and use of such materials meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government that apply to those operations.
- (7) Bodily Injury or Property Damage arising out of the discharge, release or escape of chlorine, sodium hypochlorite or other water treatment chemical used in your sewage or water treatment or swimming pool operations, if:
- (i) The Bodily Injury or Property Damage is caused by the discharge, release or escape of that chemical from your sewage or water treatment or swimming pool operations; and
  - (ii) The discharge, release or escape of that chemical commences abruptly during the Coverage Period and ends within seventy-two (72) hours of the commencement; and
  - (iii) The discharge, release or escape of that chemical becomes known to a Covered Party and is reported to us within thirty (30) days of the commencement; and
  - (iv) The use of that chemical in your water treatment operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government that apply to those operations.
- (8) Bodily Injury or Property Damage arising out of the discharge, release or escape of smoke, water runoff or fire suppression chemicals if such discharge, release or escape arising from the providing of, or training for the providing of, fire-fighting or emergency services by you or on your behalf, if:
- (i) The Bodily Injury or Property Damage is caused by the discharge, release or escape in the providing of, or training for the providing of, firefighting or emergency services by you; and
  - (ii) The discharge, release or escape commences abruptly during the Coverage Period and ends within seventy-two (72) hours of the commencement; and
  - (iii) The discharge, release or escape becomes known to a Covered Party and is reported to us within thirty (30) days of the commencement; and
  - (iv) The use of the fire suppression chemicals meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government that apply to those firefighting or emergency services operations.
- (9) Bodily Injury arising out chemicals used to provide medical professional services by your emergency medical technicians.
- (10) Bodily Injury arising out of fungi or bacteria in a good or product intended for bodily consumption.

All Bodily Injury and Property Damage cited in paragraphs (6), (7) and (8) will be deemed to occur at the time the discharge, release or escape abruptly commences.

- b) **Limited Failure to Supply Exception** - Section IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES, exclusion A., does not apply to claims for Bodily Injury or Property Damage, if the failure to supply results from the sudden and accidental damage to tangible property owned or used by any Covered Party to procure, produce, process, or transmit the water, gas, or oil, electricity, steam or biofuel.
- c) **Good Samaritan Claims Expense** - With respect to any Claim or Suit alleging Bodily Injury which results from the acts of a Good Samaritan, we will pay Claims Expense. The amount we will pay for Good Samaritan Claims Expense is limited as described in Section III. G. - Limits of Liability.

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***B. Coverage B - Personal and Advertising Injury Liability***

**1. Coverage Agreement**

- a) We will pay those sums that the Covered Party becomes legally obligated to pay as Damages because of Personal Injury or Advertising Injury to which this coverage applies.
- b) This coverage applies to Personal Injury only if caused by an offense:
  - (1) Committed in the Coverage Territory during the Coverage Period; and
  - (2) Arising out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.
- c) This insurance applies to Advertising Injury only if caused by an offense committed:
  - (1) In the Coverage Territory during the Coverage Period; and
  - (2) In the course of advertising your goods, products or services.
- d) We will have the right and duty to defend the Covered Party against any Suit seeking covered Damages. But:
  - (1) The amount we will pay for Damages is limited as described in Section III. G. - Limits of Liability;
  - (2) We may investigate and settle any Claim or Suit at our discretion;
  - (3) Our right and duty to defend end when we have used up the applicable Limit of Liability in the payment of judgments or settlements under Coverages A or B; and
  - (4) We have no duty to defend the Covered Party against any Suit seeking Damages for Personal Injury or Advertising Injury to which this coverage does not apply.
- e) No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section III. D. Supplementary Payments - Parts A and B.

**2. Exclusions**

This coverage does not apply to the matters excluded in Section IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES.

In addition, this coverage does not apply to:

- a) Personal Injury or Advertising Injury:
  - (1) Arising out of oral or written publication of material, if done by or at the direction of the Covered Party with knowledge of its falsity;
  - (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the Coverage Period;
  - (3) Caused by or at the direction of the Covered Party with the knowledge that the act would violate the rights of another and would inflict Personal Injury or Advertising Injury;
  - (4) Arising out of a criminal act committed by or at the direction of the Covered Party; or
  - (5) Arising from any Privacy Liability Wrongful Act.
- b) Advertising Injury arising out of:
  - (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
  - (2) The failure of goods, products or services to conform with advertised quality or performance; or
  - (3) The wrong description of the price of goods, products or services.
- c) An offense committed by a Covered Party other than you whose business is advertising, broadcasting, publishing or telecasting.
- d) Personal Injury to any person arising out of any Employment Practices Wrongful Act or the spouse,

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child, parent, brother or sister of that person as a consequence of Personal Injury to that person.

This exclusion applies:

- (1) Whether the Covered Party may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share Damages with or repay someone else who must pay Damages because of the Personal Injury.
- e) Any Claims or Suits due to:
- (1) The rendering of or failure to render:
    - (i) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith; or
    - (ii) Any health service or treatment;
  - (2) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
  - (3) The handling of or performing of autopsies on dead bodies; or
  - (4) The Covered Party's ownership, operation, control or direction of any hospital, clinic, nursing home, group home, sanatorium or other premises providing medical services,
- but this exclusion shall not apply to Personal Injury arising from the rendering or failure to render medical professional services by your emergency medical technicians.
- f) Any liability arising out of the ownership, maintenance, management, service, construction, design, operation, use or entrustment to others, of any airports, runways, hangars, buildings or other properties in connection with aviation activities. This exclusion does not apply as respects rendering or failure to render medical professional services by your emergency medical technicians at an airport or while on board an aircraft that is on the ground.
- g) Personal Injury or Advertising Injury arising out of Law Enforcement Activities.
- h) To Personal Injury arising from Abuse and Molestation.

**C. Coverage C – Limited Abuse and Molestation Liability**

**1. Coverage Agreement**

- a) We will pay those sums that the Covered Party becomes legally obligated to pay as Damages because of a Claim for Bodily Injury or Personal Injury to which this coverage applies.
- b) This coverage applies to Abuse and Molestation that takes place in the Coverage Territory during the Coverage Period.
- c) Abuse and Molestation involving multiple, continuous, intermittent or related Abuse and Molestation involving a common Perpetrator or common Perpetrators acting together, will be deemed to be a single Abuse and Molestation act committed on the first date of Abuse and Molestation.
- d) We will have the right and duty to defend the Covered Party against any Suit seeking covered Damages. But:
  - (1) The amount we will pay for Damages is limited as described in Section III. G. - Limits of Liability;
  - (2) We may investigate and settle any Claim or Suit at our discretion;
  - (3) Our right and duty to defend end when we have exhausted the applicable Limit of Liability in the payment of judgments or settlements under Coverage C: and
  - (4) We have no duty to defend the Covered Party against any Suit seeking Damages for Bodily Injury or Personal Injury to which this coverage does not apply.
- e) No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section III. E. Supplementary Payments -Part C.

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**2. Exclusions**

This coverage does not apply to the matters excluded in Section IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES.

In addition, this coverage does not apply to:

- a) Abuse and Molestation committed by the Covered Party, committed at the direction of the Covered Party or that the Covered Party knowingly allowed to happen; or
- b) The failure by the Covered Party having knowledge of any Abuse and Molestation to comply with any law, ordinance or regulation that requires reporting of Abuse and Molestation; or
- c) The employment or the use as a volunteer, of any person with a history of committing Abuse and Molestation that the Covered Party had knowledge before or during employment, before the use as a volunteer, or before that person committed the Abuse and Molestation.

Exclusions a), b) and/or c) above do not apply unless there has been a court determination establishing the Covered Party's conduct as set forth in a), b) and/or c) above.

- d) Bodily Injury or Personal Injury for which the Covered Party is obligated to pay Damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for Damages that the Covered Party would have in the absence of the contract or agreement.
- e) Any obligation of the Covered Party under workers' compensation, disability benefits or unemployment compensation law or any similar law.

f) Bodily Injury to:

- (1) An employee of a Covered Party arising out of and in the course of employment by the Covered Party; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the Covered Party may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the Bodily Injury.

g) Bodily Injury to any person arising out of any Employment Practices Wrongful Act or the spouse, child, parent, brother or sister of that person as a consequence of Bodily Injury to that person.

This exclusion applies:

- (1) Whether the Covered Party may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay Damages because of the Bodily Injury.

***D. Supplementary Payments Coverages A and B***

We will pay, with respect to any Claim or Suit we defend, all Claims Expense. These payments will not reduce the Limits of Liability.

***E. Supplementary Payments Coverage C***

We will pay, with respect to any Claim or Suit we defend, all Claims Expense. These payments will reduce the Limits of Liability.

***F. Covered Parties***

- 1. You are a Covered Party.
- 2. Each of the following is also a Covered Party to the extent indicated:
  - a) Your elected or appointed directors, officers, officials and members of your boards or commissions, but

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- only with respect to their duties as your directors, officers, officials, or board or commission members;
- b) Your employees, other than those included in a) above, but only for acts within the scope of their employment by you. However, no employee is a Covered Party for:
- (1) Property Damage to property owned or occupied by or rented or loaned to that employee or any other Covered Party; or
  - (2) Bodily Injury or Personal Injury arising out of his or her providing or failing to provide professional health care services other than medical professional services by emergency medical technicians;
- c) Your volunteers, other than those included in 2.a) above, but only for acts within the scope of the duties assigned by you. However, no volunteer is a Covered Party for:
- (1) Bodily Injury, Personal Injury or Advertising Injury to another volunteer acting within the scope of the duties assigned by you or the spouse, child, parent, brother or sister of the volunteer as a consequence of such Bodily Injury, Personal Injury or Advertising Injury or for any obligation to share Damages with or repay someone else who must pay Damages because of the injury; or
  - (2) Bodily Injury, Personal Injury or Advertising Injury to your employee while in the course of his or her employment; or the spouse, child, parent, brother or sister of the employee as a consequence of such Bodily Injury, Personal Injury or Advertising Injury, or for any obligation to share Damages with or repay someone else who must pay Damages because of the injury;
  - (3) Bodily Injury or Personal Injury arising out of his or her providing or failing to provide professional health care services other than medical professional services by your emergency medical technicians; or
  - (4) Property Damage to property owned or occupied by or rented or loaned to that volunteer or any other Covered Party.
- d) Any person (other than your employee) or any organization while acting as your real estate manager.
- e) With respect to your Mobile Equipment, any person is a Covered Party while operating such equipment with your permission. Any other person or organization responsible for the conduct of such person is also a Covered Party, but only with respect to liability arising out of the operation of the Mobile Equipment, and only if no other insurance of any kind is available for this liability. However, no person or organization is a Covered Party with respect to Property Damage to property owned by, rented to, in charge of or occupied by you or the employers of any person who is a Covered Party under this provision.
- f) The lessor of leased equipment, leased or rented by you without an operator, for whom you are obligated by the terms of the lease or rental agreement to provide general liability coverage. Such person(s) or organization(s) are a Covered Party, but only with respect to Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused in whole or in part by your maintenance or use of the leased equipment leased by you. Such lessor shall not be a Covered Party as respects:
- (1) An occurrence which takes place before you take possession of the leased or rented equipment; or
  - (2) After the lease or rental agreement expires.
- g) The lessor of premises leased or rented to you for whom you are obligated by the terms of the lease or rental agreement to provide general liability coverage, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you. Such lessor shall not be a Covered Party as respects:
- (1) An occurrence which takes place after you cease to be a tenant in that lessor's premises; or
  - (2) Structural alterations, new construction or demolition operations performed by or on behalf of the lessor.
- h) Any other person or organization, other than an engineer, architect or surveyor, for whom you are obligated by the terms of a written contract or agreement to provide general liability coverage, but only as respects Your Work.



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Covered Party status afforded under paragraphs f), g) and h) is limited to the extent:

- a) Permitted by law;
  - b) Of the coverage provided by us; or
  - c) Of the minimum amount of coverage required in the contract or agreement,
- whichever is less.

As respects Coverage C, d) through h) above do not apply. No person or organization is a Covered Party with respect to the conduct of any current or past joint venture that is not shown as a Covered Party in the Coverage Declarations.

**G. Limits of Liability**

1. The Limits of Liability shown in the Coverage Declarations and the provisions below fix the most we will pay regardless of the number of:
  - a) Covered Parties;
  - b) Claims made or Suits brought; or
  - c) Persons or organizations making Claims or bringing Suits.
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a) Damages under Coverage A, other than Damages for Bodily Injury or Property Damage included in the Products-Completed Operations Hazard; and
  - b) Damages under Coverage B; and
  - c) Damages and Claims Expense under Coverage C.
3. The Products-Completed Hazards Aggregate is the most we will pay under Coverage A for all Bodily Injury or Property Damage included within the Products-Completed Operations Hazard.
4. Subject to 2. above, the Personal Injury and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all Damages because of all Personal Injury and all Advertising Injury sustained by any one person or organization.
5. Subject to 2. and 3. above, the Each Occurrence Limit is the most we will pay for Damages under Coverage A because of all Bodily Injury and Property Damage arising out of any one Occurrence.
6. Subject to 2. above, the Abuse and Molestation Limit is the most we will pay for Damages and Claims Expense because of Bodily Injury and Personal Injury arising out of Abuse and Molestation by a single Perpetrator or two or more Perpetrators acting together.
7. Subject to 5. above, the Fire Damage Limit is \$100,000 for any one fire and it is the most we will pay under Coverage A for damages because of Property Damage to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.
8. Subject to 5. above, the most we will pay for all Damages because of Bodily Injury or Property Damage arising of the application of pesticides is the lesser of the limit of liability stated in the Coverage Declarations as Aggregate or \$1,000,000, whichever is less.
9. The most we will pay for all Good Samaritan Claims Expense arising out of any one Occurrence is \$25,000.

**H. Other Coverage or Insurance**

If other valid and collectible coverage or insurance is available to the Covered Party for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

1. Primary Coverage

This coverage is primary except when 2. below applies. If this coverage is primary, our obligations are not affected unless any of the other coverage or insurance is also primary. Then, we will share with all that other coverage or insurance by the method described in 3. below.

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2. Excess Coverage

This Coverage is excess over any of the other coverage or insurance, whether primary, excess, contingent or on any other basis:

- a) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for Your Work;
- b) That is Fire insurance for premises rented to you; or
- c) If the loss arises out of the maintenance or use of aircraft, Autos or watercraft to the extent not subject to Exclusion f. of Coverage A (Section III)
- d) For Covered Parties performing the following functions by whatever name known:
  - (1) Tax Collector;
  - (2) Solicitor; or
  - (3) Engineer.
- e) Any other primary insurance available to you covering liability for damages for which you qualify as an additional insured or where you have been added as an additional insured by endorsement.

When this coverage is excess, we will have no duty under Coverages A or B to defend any Claim or Suit that any other insurer or coverage provider has a duty to defend. If no other insurer or coverage provider defends, we will undertake to do so, but we will be entitled to the Covered Party's rights against all those other insurers or coverage providers.

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

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

We will share the remaining loss, if any, with any other coverage or insurance that is not described in this Excess Coverage provision and was not bought specifically to apply in excess of the Limits of Liability shown in the Coverage Declarations of this Coverage Part.

3. Method of Sharing

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

If any of the other coverage or insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's or Coverage Provider's share is based on the ratio of its applicable Limit of Liability to the total applicable Limits of Liability to all insurers or Coverage Providers.

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**IV. EMPLOYEE BENEFIT LIABILITY COVERAGE**

**NOTICE: This is CLAIMS MADE Coverage. Coverage is limited to liability for Claims that are first made against the Covered Party during the Coverage Period. You have a limited time in which to report Claims to us. Please read carefully.**

***A. Coverage Agreement***

1. We will pay on behalf of the Covered Party all sums which the Covered Party shall become legally obligated to pay as Damages, resulting from any Claim first made against the Covered Party during the Coverage Period and reported pursuant to the terms of this coverage, for any Employee Benefit Injury to which this coverage applies.
2. This coverage only applies to Claims made in the Coverage Territory.
3. We will have the right and duty to defend the Covered Party against any Suit seeking covered Damages. But:
  - a) The amount we will pay for Damages is limited as described in Section IV. D. - Limits of Liability;
  - b) We may investigate and settle any Claim or Suit at our discretion;
  - c) Our right and duty to defend ends when we have exhausted the applicable Limit of Liability in the payment of judgments or settlements; and
  - d) We have no duty to defend the Covered Party against any Suit seeking Damages to which this coverage does not apply.
4. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under IV. G. Supplementary Payments.

***B. Application of Coverage***

1. Your coverage applies only if the Employee Benefit Injury occurs on or after the Retroactive Date and before the end of the Coverage Period; and:
2. You provide us with written notice of the Claim during the Coverage Period or within sixty (60) days after the end of the Coverage Period in which the Claim was first made; and
3. A Claim seeking Damages will be deemed to have been made when notice of such Claim is received and recorded by any Covered Party or by us, whichever comes first.
4. All Claims seeking Damages based upon, arising out of, resulting from, or in any way involving the same or related facts circumstances, situations or events, any one of a related series of acts, errors or omissions to which this coverage applies will be deemed to have been made at the time the first of those Claims is made against any Covered Party in accordance with paragraph 1. above.
5. If during the Coverage Period or during an Extended Reporting Period (if applicable) a Covered Party becomes aware of an Employee Benefit Injury which may reasonably be expected to give rise to a Claim against the Covered Party, and the Covered Party gives us written notice of the specifics of the Employee Benefit Injury during the Coverage Period, any Claim which is made against the Covered Party arising out of such Employee Benefit Injury shall be treated as a Claim made during the Coverage Period.

***C. Covered Parties***

1. You are a Covered Party.
2. Each of the following is also a Covered Party to the extent indicated:
  - a) Your elected and appointed officials while acting within the scope of their duties as such; and
  - b) Your employees who are authorized to act in the Administration of your Employee Benefit Programs.

***D. Revised Definition***

As respects Employee Benefit Liability Coverage only, the definition of Suit means a civil proceeding in which Damages are alleged, because of Employee Benefit Injury to which this coverage applies. Suit includes:

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1. An arbitration proceeding to which you must submit or do submit with our consent and where Damages are claimed; or
2. Any other alternative dispute resolution proceeding to which you must submit or do submit with our consent where such Damages are claimed.

Suit does not include administrative hearings.

***E. Exclusions***

This coverage does not apply to:

1. Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any Covered Party, including the willful or reckless violation of any statute.
2. Any Claim or Suit based upon wrongful termination of employment, discrimination, or other employment related practices.
3. Bodily Injury, Property Damage, Personal Injury and Advertising Injury.
4. Any Claim or Suit based upon your failure or the failure of any insurer or coverage provider to pay or provide the benefits allegedly due under any contract relating to Employee Benefits Programs.
5. Any Claim or Suit based upon the failure of any investment to perform, errors in providing information on past performance of investments, or advice given to any person with respect to that person's decision to participate or not to participate in any Employee Benefit Programs.
6. Damages arising out of an insufficiency of funds to meet any obligations under any Employee Benefit Programs.
7. Any Claim or Suit for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the Covered Party, from the applicable funds accrued or other collectible insurance.
8. Any Claim or Suit arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.
9. Taxes, fines or penalties.

***F. Limits of Liability***

1. The Limits of Liability shown in the Coverage Declarations and the provisions below fix the most we will pay regardless of the number of:
  - a) Covered Parties;
  - b) Claims made or Suits brought; or
  - c) Persons or organizations making Claims or bringing Suits.
2. The Aggregate Limit is the most we will pay for the sum of all Damages arising out of all Claims made during the Coverage Period.
3. Subject to 2. above, the Each Claim Limit is the most we will pay for all Damages arising out of any one Claim.
4. We are obligated to pay only that portion of the total of all Damages (subject to the Limits of Liability) which exceeds the deductible amount indicated on the Coverage Declarations. We may investigate and settle any Claim at our discretion. However, regardless of the amount of any Claim, you must:
  - a) Notify us promptly as required by General Conditions paragraph C, and
  - b) Reimburse us promptly for all amounts we pay within the deductible amount.

Both your Aggregate Limit and your Each Claim Limit of Liability are reduced by the amount of Damages paid or payable by you up to the deductible amount shown in the Coverage Declarations.

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***G. Supplementary Payments***

We will pay, with respect to any Claim or Suit we defend, all Claims Expense. These payments will not reduce the Limits of Liability.

***H. Other Coverage or Insurance***

If other valid and collectible coverage or insurance is available to the Covered Party, this coverage is excess over any of the other coverage or insurance, whether primary, excess, contingent or on any other basis. We will have no duty to defend any Claim or Suit that any other insurer or coverage provider has a duty to defend. If no other insurer or coverage provider defends, we will undertake to do so, but we will be entitled to the Covered Party's rights against all those other insurers or coverage providers.

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

1. The total amount that all such other coverage or insurance would pay for Damages or Claims Expense in the absence of this coverage; and
2. The total of all deductible and self-insured amounts under all that other coverage or insurance.

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**V. AUTO COVERAGE**

**A. Auto Liability Coverage**

**1. Coverage Agreement**

- a) We will pay all sums the Covered Party legally must pay as Damages because of Bodily Injury or Property Damage to which this coverage applies.
- b) This coverage applies only to Bodily Injury or Property Damage caused by an Accident which takes place during the Coverage Period and within the Coverage Territory and resulting from the ownership, maintenance, use or entrustment to others of any Covered Auto.
- c) We will have the right and duty to defend the Covered Party against any Suit seeking covered Damages. But:
  - (1) The amount we will pay for Damages is limited as described in Section V. A.6. Limit of Liability;
  - (2) We may investigate and settle any Claim or Suit at our discretion;
  - (3) Our right and duty to defend end when we have exhausted the applicable Limit of Liability in the payment of judgments or settlements; and
  - (4) We have no duty to defend the Covered Party against any Suit seeking Damages for Bodily Injury or Property Damage to which this coverage does not apply.
- d) No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section V. A. 2. Supplementary Payments.

**2. Supplementary Payments**

In addition to our Limit of Liability, we will pay all Claims Expense.

**3. Covered Parties**

- a) You are a Covered Party;
- b) Each of the following are also Covered Parties to the extent indicated below:
  - (1) Anyone else is a Covered Party while using with your permission a Covered Auto you own, hire or borrow except:
    - (i) The owner or anyone else from whom you hire or borrow a Covered Auto. This exception does not apply if the Covered Auto is a Trailer connected to a Covered Auto you own.
    - (ii) Your employee if the Covered Auto is owned by that employee or a member of his or her household.
    - (iii) Someone using a Covered Auto while he or she is working in a business of selling, servicing, repairing or parking Autos unless that business is yours.
    - (iv) Anyone other than your employees, a lessee or borrower or any of their employees, while moving property to or from a Covered Auto.
  - (2) Anyone liable for the conduct of a Covered Party described above is a Covered Party but only to the extent of that liability.
  - (3) Your employees, elected or appointed officials, or volunteers are Covered Parties while using a Covered Auto you do not own, hire or borrow, in your business affairs.
  - (4) Your employees and elected or appointed officials are Covered Parties while using an Auto hired or rented under a contract or agreement in that employee's or elected or appointed official's name, with your permission, while performing their duties on your behalf.
  - (5) The lessor of an Auto leased or rented by you without an operator, including any substitute, replacement or extra Auto needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary Auto liability insurance to the lessor. The

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lessor shall not be a Covered Party after the lessor or the lessor's agent takes possession of the leased or rented Auto.

- (6) The owner from whom you rent, lease or borrow a substitute Auto is a Covered Party for that Auto. The substitute must be for a similar scheduled Auto which is out of normal use due to the breakdown, repair, servicing, loss or destruction of your Auto.
- (7) Any other person or organization for whom you are obligated by the terms of a written contract or agreement to provide Auto liability coverage, but only as respects the ownership, maintenance, use or entrustment to others of any Covered Auto by you or on your behalf. Such person or organization shall be afforded such coverage only to the extent of:
  - (i) The coverage provided by us; or
  - (ii) The amount of coverage required in the contract or agreement,whichever is less.

**4. Covered Autos**

- a) Any Auto including any Hired Auto or Non-owned Auto; and
- b) Mobile Equipment while being carried or towed by a Covered Auto.

**5. Exclusions**

This coverage does not apply to the matters excluded in Section IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES.

In addition, this coverage does not apply to:

- a) Liability assumed under any contract or agreement.

This exclusion does not apply to liability for damages:

  - (1) Assumed in a contract or agreement that is a Covered Party Contract; or
  - (2) That the Covered Party would have in the absence of any contract or agreement.
- b) Any obligation for which a Covered Party or the Covered Party's insurer may be held liable under any workers compensation, disability benefits or unemployment compensation law or any similar law.
- c) Bodily Injury to:
  - (1) An employee of the Covered Party arising out of and in the course of employment by the Covered Party; or
  - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

  - (1) Whether the Covered Party may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share Damages with or repay someone else who must pay Damages because of the injury.

This exclusion does not apply to liability assumed by the Covered Party under a Covered Party Contract.
- d) Property Damage to property owned or transported by the Covered Party or in the Covered Party's care, custody or control.

But this exclusion does not apply to liability assumed under a sidetrack agreement.
- e) Bodily Injury or Property Damage resulting from the handling of property:
  - (1) Before it is moved from the place where it is accepted by the Covered Party for movement into or onto the Covered Auto; or
  - (2) After it is moved from the Covered Auto at the place where it is finally delivered by the Covered

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Party.

- f) Bodily Injury or Property Damage resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the Covered Auto.
- g) Bodily Injury or Property Damage expected or intended from the standpoint of the Covered Party. This exclusion does not apply to Bodily Injury resulting from the use of reasonable force to protect persons or property.
- h) Bodily Injury to any volunteer firefighter or other volunteer worker of the Covered Party if sustained while such person is using or maintaining a Covered Auto or is otherwise engaged in other volunteer firefighting, rescue squad or ambulance corps operations of the Covered Party.
- i) Bodily Injury or Property Damage arising out of the operation of any equipment listed in paragraphs f) (2) and f) (3) of the definition of Mobile Equipment.
- j) Bodily Injury or Property Damage arising out of Your Work after that work has been completed or abandoned.
- k) Covered Autos while used in any professional or organized racing or demolition or stunting activity, or while practicing for such a contest or activity. We will also not pay for loss while any Covered Auto is being prepared for such a contest or activity.

**6. Limit of Liability**

- a) Regardless of the number of Covered Autos, Covered Parties, Claims made or vehicles involved in the Accident, the most we will pay for all Damages resulting from any one Accident is the Limit of Liability shown in the Coverage Declarations.
- a) All Bodily Injury and Property Damage resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one Accident.

**7. Coverage Extension**

Section IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES, Exclusions B., C. and D. do not apply:

- a) To fuels, lubricants, fluids, exhaust gases, or other similar Harmful Agents that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the Covered Auto or its parts, if:
  - (1) The Harmful Agents escape, seep, migrate or are discharged, dispersed or released directly from an Auto part designed by its manufacturer to hold, store, receive or dispose of such Harmful Agents; and
  - (2) The Bodily Injury or Property Damage does not arise out of the operation of any equipment listed in paragraphs f) (2) and f) (3) of the definition of Mobile Equipment.
- b) To Accidents that occur away from premises owned by or rented to a Covered Party with respect to Harmful Agents not in or upon a Covered Auto, if:
  - (1) The Harmful Agents or any property in which the Harmful Agents are contained are upset, overturned or damaged as a result of the maintenance or use of a Covered Auto; and
  - (2) The discharge, dispersal, seepage, migration, release, or escape of the Harmful Agents is caused directly by such upset, overturn or damage.

As respects this Coverage Extension only, Damages shall include any cost or expense arising out of:

- a) Any request, demand or order; or
- b) Any Claim or Suit by or on behalf of a governmental authority demanding,

that the Covered Party or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of Harmful Agents. As used in this Extension, only paragraph a) of Harmful Agents shall apply.



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**8. Other Coverage or Insurance**

- a) For any Covered Auto you own, this coverage is primary. For any Covered Auto you don't own, this coverage is excess over any other collectible insurance or coverage, unless a Covered Party Contract specifically requires this coverage be primary. However, while a Covered Auto which is a Trailer is connected to another vehicle, the liability coverage this provision provides for the Trailer:
  - (1) Is excess while it is connected to a motor vehicle you don't own: or
  - (2) Is primary while it is connected to a Covered Auto you own.
- b) When two or more policies or coverage documents cover on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Liability bears to the total of the limits of all the policies or coverage documents covering on the same basis.
- c) Regardless of the provisions of paragraph a) and b) above, this coverage is primary for any liability assumed under a Covered Party Contract.

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**B. Uninsured Motorists Coverage**

**1. Coverage Agreement**

- a) We will pay all sums the Covered Party is legally entitled to recover as Damages from the owner or driver of an Uninsured Motor Vehicle. The Damages must result from Bodily Injury sustained by the Covered Party caused by an Accident. The owner's or driver's liability for these Damages must result from the ownership, maintenance or use of an Uninsured Motor Vehicle.
- b) No judgment for Damages arising out of a Suit brought against the owner or operator of an Uninsured Motor Vehicle is binding on us unless we:
  - (1) Received reasonable notice of the pendency of the Suit resulting in the judgment; and
  - (2) Had a reasonable opportunity to protect our interests in the Suit.

**2. Covered Autos**

Only those Autos you own that, because of the Act, are required to have and cannot reject Uninsured Motorists Coverage. This includes those Autos you acquire ownership of after the Coverage Period begins.

**3. Exclusions**

This coverage does not apply to:

- a) Any Claim settled without our consent.
- b) The direct or indirect benefit of any insurer or self-insurer under any workers compensation, disability benefits or similar law.
- c) Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
- d) Any sums the Covered Party is legally entitled to recover as punitive or exemplary Damages from the owner or driver of an Uninsured Motor Vehicle.
- e) An Underinsured Motor Vehicle.

**4. Covered Parties**

- a) You are a Covered Party.
- b) Anyone else Occupying a Covered Auto or a temporary substitute for a Covered Auto is a Covered Party. The Covered Auto must be out of service because of its breakdown, repair, servicing, or loss or destruction.
- c) Anyone is a Covered Party for Damages he or she is entitled to recover because of Bodily Injury sustained by another Covered Party.

**5. Limits of Liability**

- a) Regardless of the number of Covered Autos, Covered Parties, Claims made or vehicles involved in the Accident, our limit of liability is as follows:
  - (1) The most we will pay for all Damages resulting from Bodily Injury to any one person caused by any one Accident is the limit shown in the Coverage Declarations for "each person".
  - (2) Subject to the limit for "each person", the most we will pay for all Damages resulting from Bodily Injury caused by any one Accident is the limit shown in the Coverage Declarations or Schedule for "each Accident".

However, no Covered Party will be entitled to receive duplicate payments for the same elements of loss.

- b) Any amount payable for Damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible, including all sums paid for the same Damages under these Coverage Documents.
- c) Any amount paid under this coverage will reduce any amount a Covered Party may be paid for the same Damages under these Coverage Documents.

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- d) Any amount payable for Damages under this coverage shall be reduced by all sums paid or payable under the First Party Benefits provisions contained herein.

**6. Changes in Conditions**

The GENERAL CONDITIONS APPLICABLE TO ALL COVERAGES are changed for Uninsured Motorists Coverage as follows:

- a) The following condition is added:

If there is other applicable similar insurance or coverage available under more than one policy:

- (1) The following priorities of recovery apply:

First:

The Uninsured and/or Underinsured Motorists Insurance Coverage applicable to the vehicle the Covered Party was Occupying at the time of the Accident.

Second:

The policy affording Uninsured and/or Underinsured Motorists Insurance or Coverage to the Covered Party as a Covered Party or Named Insured.

- (2) We will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all limits applicable on the same level of priority.

- b) Your Duties in the Event of a Loss is changed by adding the following:

- (1) Promptly notify the police if a hit-and-run driver is involved, and  
(2) Promptly send us copies of the legal papers if a Suit is brought.

- c) Subrogation is changed by adding the following:

If we make any payment due to an Accident involving an Uninsured Motor Vehicle and the Covered Party recovers from another party, the Covered Party shall hold the proceeds in trust for us and pay us back the amount we have paid to the extent such payment duplicates any amount we paid under this coverage.

- d) Actions against the Trust is replaced by the following:

- (1) No legal action may be brought against us more than one year after the Accident or more than ninety (90) days after we provide our written consent to or rejection of the settlement of any Claim arising from the Accident, whichever is later.  
(2) No legal action may be brought against us until there has been full compliance with all the terms of this coverage.  
(3) No person or organization has any right to bring us into any action to determine the liability of an owner or an operator of an Uninsured Motor Vehicle. Moreover, we have no obligation to defend or indemnify an owner or an operator of an Uninsured Motor Vehicle in connection with any Claim or Suit arising from an Accident.

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**C. Basic First Party Benefits**

**1. Coverage Agreement**

We will pay the Basic First Party Benefit in accordance with the Act to or for a Covered Party who sustains Bodily Injury caused by an Accident arising out of the maintenance or use of a Covered Auto.

Subject to the limits shown in the Schedule or Declaration, the Basic First Party Benefits consist of Medical Expense Benefits, which consist of reasonable and necessary medical expenses incurred for a Covered Party's:

- a) Care;
- b) Recovery; or
- c) Rehabilitation.

This includes remedial care and treatment rendered in accordance with a recognized religious method of healing.

Medical Expenses will be paid if incurred within 18 months from the date of the Accident causing Bodily Injury. If within 18 months from the date of the Accident causing Bodily Injury it is ascertainable with reasonable medical probability that further expenses may be incurred as a result of the Bodily Injury, medical expenses will be paid without limitation as to the time such further expenses are incurred.

**2. Covered Autos**

Covered Autos means a self-propelled motor vehicle operated or designed for use on public roads. However, Covered Auto does not include a vehicle operated by muscular power or on rails or tracks.

**3. Exclusions**

- a) We will not pay First Party Benefits for Bodily Injury sustained by:
  - (1) Any person injured while intentionally causing or attempting to cause injury to himself or herself or any other person.
  - (2) Any person while committing a felony.
  - (3) Any person while seeking to elude lawful apprehension or arrest by a law enforcement official.
  - (4) Any person while maintaining or using an Auto knowingly converted by that person. However, this exclusion does not apply to you.
  - (5) The owner of a currently registered Auto for which the financial responsibility required by the Act is not in effect.
  - (6) Any person maintaining or using an Auto while located for use at a residence or premises.
  - (7) Any person injured as a result of conduct within the course of the business of repairing, servicing or otherwise maintaining Autos. This exclusion does not apply if the conduct is off the business premises.
  - (8) A pedestrian if the Accident occurs outside of Pennsylvania.
  - (9) An occupant of an Auto to which these Coverage Documents apply if the occupant is not a resident of Pennsylvania and the Accident occurs outside of Pennsylvania.
  - (10) Any person as a direct result of loading or unloading any Auto.
  - (11) Any person while Occupying a recreational vehicle designed for use off public roads; a motorcycle, moped or similar type vehicle or a vehicle which is not covered by these Coverage Documents.
- b) We will not pay First Party Benefits for Bodily Injury:
  - (1) Caused by or as a consequence of the discharge of a nuclear weapon (even if accidental),
  - (2) From or as a consequence of the following, whether controlled or uncontrolled or however caused:

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- (i) Nuclear reaction;
  - (ii) Radiation; or
  - (iii) Radioactive contamination.
- (3) War (declared or undeclared), warlike action by a military force, civil war, insurrection, rebellion, revolution.

**4. Covered Parties**

- a) Any person while Occupying a Covered Auto.
- b) Any person while not Occupying an Auto is a Covered Party, if injured as a result of an Accident in Pennsylvania involving a Covered Auto.

If a Covered Auto is parked and unoccupied, it is not an Auto involved in an Accident unless it was parked in a manner as to create an unreasonable risk of injury.

**5. Limits of Liability**

- a) Regardless of the number of Covered Autos, Claims made, Autos involved in the Accident or insurers providing First Party Benefits, the most we will pay to or for a Covered Party as the result of any one Accident is the limit shown in the Schedule of Benefits.
- b) Any amount payable under First Party Benefits shall be excess over any sums paid, payable or required to be provided under any workers compensation law or similar law.
- c) Any amount payable under First Party Benefits shall reduce the amount otherwise payable under these Coverage Documents.

**6. Changes in Conditions**

The GENERAL CONDITIONS Applicable to All Coverages are changed for First Party Benefits as follows:

- a) Subrogation does not apply.
- b) The following conditions are added:

Non-Duplication of Benefits

No person may recover duplicate benefits for the same expense or loss under this coverage or any other similar Automobile coverage including self-insurance.

Priorities of Coverage

We will pay First Party Benefits in accordance with the order of priority set forth by the Act. We will not pay if there is another insurer or coverage provider at a higher level of priority. The "First" category listed below is the lowest level of priority. The priority order is:

- a) First - The insurer or coverage provider providing benefits to the Covered Party as a named insured.
- b) Second - The insurer or coverage provider of the Auto which the Covered Party was Occupying at the time of the Accident.
- c) Third - The insurer or coverage provider providing benefits on any Auto involved in the Accident if the Covered Party is:
  - 1. Not Occupying an Auto; and
  - 2. Not provided First Party Benefits under any other coverage.

If two or more Coverage Documents or policies have equal priority within the highest applicable number in the priority order:

- 3. The insurer or coverage provider against which the Claim is first made shall process and pay the Claim as if wholly responsible, and
- 4. The maximum recovery under all Coverage Documents or policies shall not exceed the amount

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payable under the policy with the highest dollar limits of benefits.

**7. Schedule of Benefits**

<b>Benefit</b>	<b>Limit of Liability - per Covered Party and per Accident</b>
Medical Expense Benefits	Up to \$10,000
Funeral Expense Benefits	Up to \$1,500
Income Loss Benefits	Up to \$5,000, subject to maximum of \$1,000 per month

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**VI. RESERVED FOR FUTURE USE**

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**VII. RESERVED FOR FUTURE USE**



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**VIII. PUBLIC LAW 477 (THE HEART AND LUNG ACT) LIABILITY COVERAGE**

***A. Coverage Agreement***

We will indemnify you for Loss. The amount we will pay for Loss is limited as described under Limits of Liability. No other obligation to pay sums or perform acts or services is covered under this provision.

***B. Application of Coverage***

This endorsement applies to such Loss paid to any Covered Employee who:

1. Is injured in the performance of their duties for you in the Coverage Territory and during the Coverage Period;
2. Becomes temporarily incapacitated so as to be unable, for a limited period of time, to work for you in his/her standard, public safety capacity because of such injuries; and
3. Receives temporary salary benefits for such disability under the Pennsylvania Workers' Compensation Law.

***C. Limits of Liability***

Our liability to indemnify is limited as follows:

1. The most we will indemnify you for any one full week of temporary salary benefits you have paid to a Covered Employee is limited to the difference between the Covered Employee's:
  - a) Full weekly salary at the time of temporary incapacity, excluding any overtime pay; and
  - b) Weekly temporary salary benefits from Workers' Compensation.
2. The most we will pay for all injuries arising out of any one Occurrence regardless of the number of Covered Parties or Covered Employees who sustain injury is \$35,000.
3. The most we will pay during the Trust Fiscal Year for all Members of PennPRIME Trust, regardless of the number of Members seeking indemnification, Covered Parties or Covered Employees is \$150,000.

***D. Duties in the Event of an Occurrence - Proof of Loss***

1. You must submit a sworn Proof of Loss to us and request indemnification. If the period of time for which temporary salary benefits paid under the Pennsylvania Workers' Compensation Law is:
  - (1) Thirty (30) days or less, the sworn Proof of Loss must be submitted as soon as temporary salary benefits paid have ceased; or
  - (2) Over thirty (30) days, you may submit a sworn Proof of Loss to us after the end of each 30-day period for which such benefits are paid.
2. Your requests for indemnification must be made to us no later than one hundred and eighty (180) days after the end of the period of time for which the Covered Employee was paid temporary salary benefits under the Pennsylvania Workers' Compensation Law. Failure to do so will void this coverage.
3. Sworn proof of loss shall include:
  - a) A description of the injury to the Covered Employee;
  - b) A copy of the Covered Employee's Public Law 477 Request for Benefits;
  - c) The amount of temporary salary benefits paid to the Covered Employee:
    - (1) Under Pennsylvania Workers' Compensation Law; and
    - (2) By you in accordance with Public Law 477; and
  - d) The annual salary, excluding any overtime pay, of your Covered Employee.
4. We have the right to investigate, to the extent we deem appropriate, any facts related to the:
  - a) Covered Employee's injury;
  - b) Payments received by the Covered Employee under the Pennsylvania Workers' Compensation Law;

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- c) Covered Employee's salary; or
- d) Proof of loss.

***E. Audit***

Our representatives shall be permitted, but not obligated, to inspect your payroll records and employment documentation during regular business hours during the Coverage Period and within three (3) years after the Coverage Period ends.

***F. Contributions***

The contributions for this coverage will be calculated by multiplying the Trust's Public Law 477 rate applicable to you, times each \$100 of workers compensation "Remuneration - Payroll" for the Coverage Period, for the "Police or Firefighters, Salaried" classification (Code 985) with both quoted terms as defined in the Pennsylvania Workers Compensation Manual published by the Pennsylvania Compensation Rating Bureau.

***G. Additional Definitions***

The following definitions apply only for Public Law 477 Liability Coverage:

1. **Covered Employee** means a paid police officer, fire fighter or park guard employed by you and who is subject to Public Law 477.
2. **Loss** means only those temporary salary benefits paid to the Covered Employee by you in accordance with Public Law 477. Loss does not include temporary salary benefits paid to the Covered Employee under Pennsylvania Workers' Compensation Law nor medical costs of any kind.
3. **Public Law 477** means Pennsylvania Enforcement Officer Disability Benefits Law, Act of 1935, Public Law 477, No. 193.

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**IX. GENERAL EXCLUSIONS APPLICABLE TO ALL COVERAGES**

These Coverage Provisions do not apply to:

- A. Claims or Suits made as a result of any Covered Party's failure to supply water, gas, oil, electricity, steam or biofuel or the Covered Party's failure to supply sufficient water, gas, oil, electricity, steam or biofuel to meet demand.
- B. Claims or Suits arising in whole or in part out of the actual, alleged or threatened exposure to, spread or transmission of, inhalation or ingestion of, discharge, dispersal, seepage, release, migration or escape of Harmful Agents.
- C. Any loss, cost, or expense arising out of any governmental direction or request, demand or order that any Covered Party or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of Harmful Agents.
- D. Any loss, cost, or expense arising out of any Claim or Suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of Harmful Agents.

Exclusions B, C and D apply even if the claims against any Covered Party allege negligence or other wrongdoing in the:

- 1. Supervising, hiring, employing, training or monitoring of others;
  - 2. Testing for or failure to test for Harmful Agents;
  - 3. Failure to prevent the exposure to, spread or transmission of, inhalation or ingestion of, discharge, dispersal, seepage, release, migration or escape of Harmful Agents; or
  - 4. Failure to report Harmful Agents to authorities.
- E. Claims or Suits for or based upon contractual penalties or retainages, breach of contract, cost estimate overruns on any contract or project.
  - F. Claims or Suits based upon the operation of the principles of eminent domain, including condemnation proceedings or inverse condemnation, adverse possession or dedication by adverse use by whatever name called, whether such liability accrues directly against you or by virtue of any agreement entered into by or on your behalf.
  - G. Claims or Suits against a Covered Party for non-monetary relief or remedy including, but not limited to, criminal prosecutions and proceedings, election contests, actions for injunction or declaratory judgment, actions in equity, mandamus actions, actions to enforce or invalidate ordinances, zoning restrictions or contracts or actions to require compliance with applicable law and regulations or seeking exemption therefrom. When this exclusion applies, we will not pay for attorney's fees and costs under the common law, under 42 U.S.C. Section 1988, or any other state or federal statute.
  - H. Any liability or expense arising out of any nuclear incident, accident, loss, occurrence, claim made or loss discovered; or as the result of the ownership, management, manufacture, design, service, operation, storage, use, existence, handling, processing, sale, distribution, responsibility for, disposal of nuclear materials, nuclear products or the by-products thereof; or Entrustment to Others of nuclear materials, nuclear products or the by-products thereof. For purposes of this exclusion, the term "Entrustment to Others" shall include, but not be limited to, involvement of parties other than the Covered Party pursuant to contracts, licenses, leases, permits, franchises and consignments.
  - I. Any liability arising out of the ownership, management, manufacture, operation, design, use or maintenance of mechanical amusement rides. However, this exclusion shall not apply to playground equipment you own, operate or use.
  - J. Any liability resulting from ownership, manufacture, management, operation, design, use of maintenance of trampolines, mini trampolines, springboards or similar rebound devices. However, this exclusion shall not apply to diving boards at pools you own, operate or use.
  - K. Any liability arising out of the ownership, management, operation, design, use or maintenance of a zoo.

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- L. Any liability or expense arising, directly or indirectly, out of war, whether or not declared, or any act or condition incident to War. The term “War” includes, but is not limited to, acts of foreign enemies, hostilities between, among or within nations, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, martial law or confiscation by order of any government or public authority.