



## COMMON POLICY DECLARATIONS


<b>AXIS INSURANCE COMPANY (A STOCK COMPANY) 111 SOUTH WACKER DRIVE, SUITE 3500 CHICAGO, IL 60606</b>	<b>RT SPECIALTY, LLC 5565 GLENRIDGE CONNECTOR, SUITE 550 ATLANTA, GA 30342</b>
NAMED INSURED: <u>State of West Virginia</u>	
MAILING ADDRESS: <u>1124 Smith Street</u> <u>Suite 4300</u> <u>Charleston, WV 25301</u>	
POLICY PERIOD: FROM <u>July 01, 2019</u> TO <u>July 01, 2020</u> AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.	

BUSINESS DESCRIPTION	MUNICIPALITY
----------------------	--------------

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
	PREMIUM
BOILER AND MACHINERY COVERAGE PART	\$ _____
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART	\$ _____
COMMERCIAL AUTOMOBILE COVERAGE PART	\$ _____
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ _____
COMMERCIAL INLAND MARINE COVERAGE PART	\$ _____
COMMERCIAL PROPERTY COVERAGE PART	\$ <u>2,300,900</u>
CRIME AND FIDELITY COVERAGE PART	\$ _____
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART	\$ _____
FARM COVERAGE PART	\$ _____
LIQUOR LIABILITY COVERAGE PART	\$ _____
POLLUTION LIABILITY COVERAGE PART	\$ _____
PROFESSIONAL LIABILITY COVERAGE PART	\$ _____
INSPECTION FEE	\$ _____
INSURED PURCHASED TRIA TERRORISM COVERAGE <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$ <u>10,000</u>
<b>TOTAL:</b>	<b>\$ <u>2,310,900</u></b>
Premium shown is payable: \$ <u>2,310,900</u> at inception.	

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):		
01	AXIS Surplus Common Policy Declarations – ES 191 0707	
02	Notice to Policyholder – ES 115 0106	
03	State Fraud Statements – LI FS 001 07 15	
04	Brokers Manuscript Form Including Endorsements A and B	
05	Brokers Manuscript Multi-Year Program Conditions Endorsement – Endorsement C	
06	Vacant/Unoccupied Building Endorsement – Endorsement D – ES 026 0106	
07	Joint or Disputed Loss Agreement– Endorsement E – ES 210 0509	
08	Occurrence Limit of Liability - Endorsement F – ES 026 0106	
09	Law Enforcement Animals – Endorsement G – ES 026 0106	
10	Pollution Contamination Cleanup Amendment – Endorsement H – ES 026 0106	
11	Commercial Property Exclusion Endorsement – Endorsement I – ES 026 0106	
12	Electronic Data Amendment Endorsement – Endorsement J – ES 026 0106	
13	Mold, Fungi, Wet Or Dry Rot, And Bacteria Exclusion Endorsement – Endorsement K – ES 084 0106	
14	Nuclear, Chemical And Biological Exclusion Endorsement – Endorsement L – ES 116 0608	
15	Exclusion of Terrorism Losses Outside The United States – Endorsement M– AXIS NON-US TERRORISM EXCLUSION 01 15	
16	Cap On Losses From Certified Acts Of Terrorism – IL 09 52 01 15	
17	AXIS Insurance Signature Page AXIS 102 AIC (06-15)	
18	Claim Notice – ES 036 0512	

Countersigned:	By:
     	
(Date)	(Authorized Representative)

**NOTE**  
OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.

## **NOTICE TO POLICYHOLDER**

This policy is composed of various forms explaining the insurance coverage provided. It may also include one or more endorsements. Endorsements are documents that change the policy. Endorsements may provide additional coverage to the policy. Endorsements can also restrict or remove coverage provided in the policy. THE POLICY SHOULD BE READ CAREFULLY TO DETERMINE WHAT IS AND WHAT IS NOT COVERED.

As the context may require, the words “you”, “your”, “Insured”, and “the Insured” refer to the Named Insured shown on the Declarations Page. The words “we”, “us”, “our”, “Company”, “the Company”, and “this Company” refer to the Company providing this insurance.



## STATE FRAUD STATEMENTS

Applicable in Alabama

### **Alabama Fraud Statement**

“Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison or any combination thereof.”

Applicable in Arkansas, Louisiana, Rhode Island, and West Virginia

### **Arkansas, Louisiana, Rhode Island, and West Virginia Fraud Statement**

“Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

Applicable in Colorado

### **Colorado Fraud Statement**

“It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.”

Applicable in District of Columbia

### **District of Columbia Fraud Statement**

“Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.”

Applicable in Florida

### **Florida Fraud Statement**

“Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.”

Applicable in Kansas

### **Kansas Fraud Statement**

“A “fraudulent insurance act” means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows

to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.”

Applicable in Kentucky

**Kentucky Fraud Statement**

“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.”

Applicable in Maine

**Maine Fraud Statement**

“It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.”

Applicable in Maryland

**Maryland Fraud Statement**

“Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

Applicable in New Jersey

**New Jersey Fraud Statement**

“Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.”

Applicable in New Mexico

**New Mexico Fraud Statement**

“Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.”

Applicable in New York

**New York Fraud Statement**

“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.”

Applicable in Ohio

**Ohio Fraud Statement**

“Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.”

Applicable in Oklahoma

**Oklahoma Fraud Statement**

“WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.”

Applicable in Oregon

**Oregon Fraud Statement**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

- A. The misinformation is material to the content of the policy;
- B. We relied upon the misinformation; and
- C. The information was either:
  - 1. Material to the risk assumed by us; or
  - 2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

Applicable in Pennsylvania

**Pennsylvania Fraud Statement**

“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.”

Applicable in Puerto Rico

**Puerto Rico Fraud Statement**

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

Applicable in Tennessee, Virginia and Washington

**Tennessee, Virginia and Washington Fraud Statement**

“It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.”

STATE OF WEST VIRGINIA  
ALL RISKS COVERAGE FORM

**1. INSURED**

- A. The State of West Virginia;
- B. West Virginia Parkways Authority;
- C. Each West Virginia County Board of Education, each West Virginia political subdivision or non-profit non-governmental organization covered by certificates of insurance issued by Board of Risk and Insurance Management and declared to this Company on statement of values.

“The State of West Virginia” means:

“The legislative, judicial and executive branches of the State of West Virginia, including all of its boards, commissions, councils, authorities, institutions, universities, colleges, schools departments, divisions and agencies; provided, however, the State of West Virginia shall not be considered to include county commissions, municipalities or other political subdivisions of the state regardless of any state aid that may be provided.”

**2. TERMS OF INSURANCE**

In consideration of \$2,310,900 annual deposit premium for the period of July 1, 2019 to July 1, 2020 (of which \$10,000 represents the Terrorism premium), this policy attaches and covers for one (1) year; beginning and ending at 12 am, Eastern Time, at the location of the property involved.

**3. LIMITS OF LIABILITY**

Except as otherwise specified herein or by endorsements hereto, this Company shall not be liable for more than its proportion of:

- \$25,000,000** As respects all coverage's for any one "occurrence" regardless of the number of locations, coverage's or perils involved, except the following sub limits are part of the overall Policy limit and do not increase this Company's overall limit of liability as stated above
- A. \$25,000,000 Per occurrence and Separate Annual Aggregates as respects Flood and Earthquake, subject to Limitations contained in Paragraph 9(K), 1 through 5.
- B. \$10,000,000 Per Occurrence Newly Acquired Real and Personal Property
- C. \$5,000,000 Per Occurrence Coal Mine Subsidence for State Owned Property
- \$200,000 Per Structure, Coal Mine Subsidence for Non- State Owned Property

However, in no event will this Company's liability for Coal Mine Subsidence for State Owned Property and Non-State Owned Property ever exceed \$5,000,000 in any one occurrence.



- D. \$1,000,000 Per Occurrence Employee Dishonesty
- E. \$1,000,000 Per Occurrence Forgery or Alteration
- F. \$5,000,000 Per Occurrence Theft, Disappearance and Destruction – Capitol Complex.
- G. \$1,000,000 Per Occurrence Theft, Disappearance and Destruction – All Other Locations
- H. \$5,000,000 Per Occurrence Automobile Physical Damage
- I. \$1,000,000 Per Occurrence Registered Mail
- J. \$1,000,000 Per Occurrence Nuclear Contamination
- K. \$2,000,000 Per Occurrence and in the Aggregate Annually as Respects the Peril of Earthquake at State-Owned Properties Only
- L. \$1,000,000 Per Occurrence as respects Alterations, Additions, and Renovations to Existing Property
- M. \$10,000 Per Occurrence as respects Pollutant/Contamination Cleanup (as defined in Item 9.L. of Perils Excluded) subject to \$100,000 Annual Aggregate
- N. \$250,000 Per Occurrence as respects Electronic Data Amendment Endorsement, subject to \$1,000,000 Annual Aggregate
- O. \$500 Per Occurrence as respects Fire Department Service Charges and Extinguishing Expense
- P. \$1,000,000 Per Occurrence as respects Off Premises Services Interruption (Property Damage and Business Income combined)
- Q. \$1,000,000 Per Occurrence for each as respects Demolition Cost and Increased Cost of Construction

These LIMITS OF LIABILITY apply for the participants in the Board of Risk and Insurance Management program who qualify as an insured as outlined in 1. INSURED, subject to the per occurrence deductible listed on the CERTIFICATE OF INSURANCE issued by the Board of Risk and Insurance Management to that insured. The liability of the COMPANY is in excess of the deductible stated elsewhere herein

#### 4. DEDUCTIBLE

All claims for loss, damage or expense arising out of any one occurrence shall be adjusted as one loss, and from the amount of such adjusted loss shall be deducted the sum of one million dollars (\$1,000,000).

#### 5. DEFINITIONS

- A. The term “**Occurrence**” means, except as may be more specifically defined for a Covered Cause of Loss, any one loss, disaster or casualty, or series of losses, disasters or casualties arising out of one event. When the word applies to loss or losses from the perils of tornado, tsunami, windstorm, Named Windstorm, hail, riot, riot attending a strike, civil commotion,

malicious mischief, "flood", if such perils are covered under this "policy", one event shall be construed to be all losses arising during a continuous period of seventy-two (72) hours. For "earthquake" the continuous period will be one hundred sixty-eight (168) hours. When filing proof of loss, you may elect the moment at which such seventy-two (72) hour period shall be deemed to have commenced, (one hundred sixty-eight (168) hours for "earthquake") which shall not be earlier than when the first loss to property or interests insured under this policy occurs. However, we shall not be liable hereunder for any loss or damage:

1. occurring before this policy became effective; or
2. arising from an "occurrence" which is in progress at the time this policy becomes effective, even if such loss or damage occurs after this policy becomes effective; or
3. occurring after the expiration of this policy, except loss or damage arising from an "occurrence" in progress at the time this policy expires.

**B.** The term "**Earthquake**" shall mean the shaking or trembling of the earth's crust caused by underground volcanic or tectonic forces; but does not include subsidence, landslide, rock slide, mudflow, earth rising, earth sinking, earth shifting or settling, unless these directly result from such earthquake.

All earthquake shocks that occur within a single 168 hour period will constitute a single earthquake. The expiration of this policy will not reduce the 168 hour period. We will not pay for loss or damage caused by or resulting from earthquakes which begin before the effective date of this insurance.

**C.** The term "**Flood**" shall mean:

1. Surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not.
2. Water under the ground surface pressing on, or flowing or seeping through:
  - a. Foundations, walls, floors or paved surfaces;
  - b. Basements, whether paved or not; or
  - c. Doors, windows or other openings

**D.** "**Coal mine subsidence**" means loss to a structure caused by lateral or vertical movement, including collapse which results there from of structures from collapse of man-made underground coal mine.

**E.** "**Covered automobile**" means any land vehicle, whether self propelled or not, including those designed for travel on public roads and mobile equipment, and including any attached machinery or equipment.

1. Owned by the named insured, or
2. Leased to the named insured for a term of not less than one year under an agreement expressly prohibiting any right of the lessor or owner to use such vehicle during the term of such lease except either as an operator employed by the named insured or for its repair or exchange;

But "covered automobile" does not include a vehicle owned by or registered in the name of any individual partner or executive officer of the named insured, unless specifically stated otherwise by endorsement forming a part of the policy;

- F. **“Money”** means currency, coins, bank notes and bullion; and traveler’s checks, register checks and money orders held for sale to the public.
- G. **“Securities”** means all negotiable and “non-negotiable” instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.
- H. **“Non-negotiable securities”** means securities which cannot be negotiated or converted to cash by unauthorized persons without resort to forgery.
- I. **“Custodian”** means the insured or a partner of the insured or any employee who is duly authorized by the insured to have the care and custody of the insured property within the premises, excluding any person while acting as a watchman, porter or janitor.
- J. **“Messenger”** means the insured, a partner therein or an officer thereof, or any employee thereof who is in the regular service of and duly authorized by the insured to have the care and custody of the insured property outside the premises.
- K. **“Employee”** means any natural person (except a director or trustee of the Insured, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured’s business during the Policy period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under paragraph 6 (H) (1), the above words “while in the regular service of the Insured” shall include the first 30 days thereafter, subject, however, to cancellation as to any employee and cancellation of Policy clause.
- L. **“Banking premises”** means the interior of that portion of any building which is occupied by a banking institution in conducting its business.
- M. **“Payroll funds”** means money and securities intended solely for the payroll of the insured.
- N. With regard to paragraphs 3D, 3E, 3F, and 3G, **“occurrence”** means all losses caused by or involving one or more employees whether the result of a single act or a series of acts.
- O. Definition of **“normal”**; the condition that would have existed had no loss occurred.

## 6. COVERAGE AND VALUATION

Except as hereinafter excluded, this Policy covers:

### A. Real and Personal Property

The interest of the insured in all real and personal property (including improvements and betterments, fine arts, automobiles, watercraft, and mobile equipment) owned, used, or intended for use by the Insured.

In the event of loss or damage, this Company agrees to accept and consider the insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.

The interest of the insured in the real and personal property of others in the insured's care, custody, or control and the insured's liability imposed by law or assumed by contract, whether written or oral, for such property.

Contractors' interest in property covered to the extent of the Insured's liability imposed by law or assumed by contract, whether written or oral.

## 1. Valuation

### a. Improvements and Betterments

- i. If repaired or replaced at the expense of the insured within a reasonable time after such loss, the actual expenditure incurred in repairing, rebuilding or replacing the damaged improvements and betterments.
- ii. If not repaired or replaced within a reasonable time after such loss, that proportion of the original cost at time of installation of the damaged improvements and betterments which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such improvements and betterments were made to the expiration date of the lease.
- iii. If repaired or replaced at the expense of others for the use of the insured, there shall be no liability hereunder.

### b. Stock

- i. Raw stock, merchandise and supplies at the replacement cost.
- ii. Stock in process at the value of raw stock and labor expended, plus the property proportion of overhead charges.
- iii. Finished stock at the regular cash selling price less all discounts and charges to which such finished stock would have been subject had no loss occurred.

### c. Real and Personal Property other than Stock and Improvements and Betterments

The cost to repair or replace the damaged property, without deduction for depreciation, with materials of like kind, size, capacity and quality subject to:

- i. Liability under these terms shall not exceed the lesser of the following:
  - a. The values on file with West Virginia Board of Risk and Insurance Management;
  - b. The cost to repair, rebuild or replace on the same site with material of like kind, size, capacity and quality;
  - c. The actual expenditure incurred in repairing, rebuilding or replacing on the same or another site but not to exceed size and operating capacity that existed at time of loss;
  - d. In the event of loss or damage to property which is not repaired, rebuilt or replaced within two years from the date of loss or damage, this Company shall not be liable for more than the actual cash value (with proper deduction for depreciation) of the

property destroyed.

- ii. In the event that replacement with like kind and quality cannot be accomplished, the basis of loss adjustment will be the replacement cost new of unlike kind and quality to restore the function which existed prior to loss.

d. Automobile Physical Damage and Mobile Equipment

- i. The actual cash value of such "covered automobile", or if the loss to a part thereof, the actual cash value of such part, at time of loss;
- ii. What it would then cost to repair or replace such "covered automobile" or part thereof with other of like kind and quality with deductions for depreciation; or
- iii. The total limit of the Company's liability for all loss directly attributable to a single "occurrence" out of which loss to all "covered automobiles" occurs shall not exceed the amount stated herein as the limit of liability for automobile physical damage, subject to the above provisions respecting any one "covered automobile".

e. Fine Arts

- i. The value stipulated in an appraisal.
- ii. In the absence of an appraisal, the fair market value at the time of loss.

f. Electronic Data Processing Media

- i. If replaced, the value blank plus the cost of copying information from back-up or from originals of a previous generation excluding any other cost
- ii. If not replaced, the value of the blank media.

g. Time Element

i. Earnings

- a. This Company shall be liable for the actual loss sustained by the Insured resulting directly from necessary interruption of business caused by damage to or destruction of real or personal property by the peril(s) insured against, during the term of this Policy, on premises insured, but not exceeding the reduction in earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed, commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to payroll expense, to the extent necessary to resume operations of the Insured with the same quality of service which existed immediately preceding the loss.
- b. However, this company shall not be liable for any loss resulting from damage to or destruction of finished stock nor for the time required to reproduce said finished stock. Finished stock shall mean stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment, or sale.

- c. Resumption of operations: It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business.
  - 1. By complete or partial resumption of operation of the property herein insured, whether damaged or not, or
  - 2. By making use of merchandise or other property at the location(s) insured herein or elsewhere,Such reduction shall be taken into account in arriving at the amount of loss hereunder.
- d. Earnings: For the purpose of this insurance, "earnings" is defined as the sum of:
  - 1. Total Net Profit
  - 2. Payroll Expense
  - 3. Taxes
  - 4. Interest
  - 5. Rents
  - 6. All other operating expenses earned by the business
- e. Expenses to reduce loss: This policy also covers such expenses as are necessarily incurred for the purpose of reducing loss under this policy (except expense incurred to extinguish a fire), but in no event shall the aggregate of such expenses exceed the amount by which the loss under this policy is thereby reduced.
- f. Experience of business:
  - 1. In determining the amount of net profit, charges, and expenses covered hereunder for the purposes of ascertaining the amount of loss sustained, due consideration shall be given to the experience of the business before the date of damage or destruction and to the probable experience thereafter had no loss occurred.
  - 2. With respect to alterations, additions, and property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the available experience of the business after completion of the construction, erection, installation, or assembly.

## **B. Extra Expense**

- 1. Extra expense incurred resulting from loss or damage to property by any of the perils covered herein during the term of this policy.
- 2. Extra expense is defined as: Extra expense necessarily incurred by the Insured to continue normal operations interrupted as a result of direct physical loss or damage to the property covered by the perils insured against hereunder at the insured locations, but only for the period of time required with the exercise of due diligence and dispatch to restore normal operations, however not to exceed 12 months.

**C. Earnings/Extra Expense Electronic Data Processing**

1. With respect to earnings/extra expense loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured, the Company shall not be liable for more than:

a. 30 consecutive calendar days: or

b. The length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed:

Whichever is the greater; nor

2. More than the actual loss sustained by the insured during the period of restoration;

3. Resumption of operations: It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business by complete or partial resumption of the insured's operations, at the same or other premises, this company shall be liable only for the reduced amount of loss, taking such reduction(s) into account.

**D. Provisions Applicable to Time Element**

1. Interruption by civil or military authority: This policy is extended to cover the loss sustained during the period of time not exceeding thirty (30) days, when, as a direct result of a peril insured against, access to real and personal property is prohibited by order of civil or military authority.

2. Ingress/Egress: This policy is extended to cover the loss sustained during the period of time not exceeding thirty (30) days, when as a direct result of a peril insured against, ingress to or egress from the insured's premises is thereby prevented. No liability shall exist under this section unless ingress or egress is prevented for a period exceeding forty-eight (48) hours and then liability shall exist only for such part of the loss that is in excess of the first forty eight (48) hours.

3. Earnings from the West Virginia Turnpike are defined as the income from tolls and other operating sources, less such maintenance and operating charges and expenses as do not necessarily continue during the period of total or partial suspension of use.

**E. Property in Transit**

1. This policy attaches and covers shipments within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage, including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including

during deviation and delay, until safely delivered into place of final destination.

2. Valuation shall be the amount of invoice, including prepaid or advanced freight, if any, the profit or commission of the named insured's as selling agent, and such other cost and charges as may have accrued and become legally due thereon since shipment.

3. In the absence of an invoice, the property shall be valued at its replacement cost value at point of shipment.

## **F. Registered Mail**

1. Registered mail covers bonds, coupons, stock certificates and other securities; postage and revenue stamps; postal express and other money orders; certificates of deposit, checks, drafts, notes, bills of lading, warehouse receipt and other commercial papers, and other documents and papers of value; bullion, platinum and other precious metals; currency (whether coin or paper), jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones; and other valuables of like kind.
2. All mailings of property are covered for their actual value, market if any, on the date of mailing.
3. This insurance is extended to cover loss or damage to property:
  - a. Sold and shipped by the insured under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery.
  - b. Arising out of any unauthorized person(s) representing themselves to be the property party(ies) to receive goods for shipment or to accept goods for delivery.
  - c. Occasioned by the acceptance by the insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents.
  - d. This section covers registered mail shipments:
    - i. Until delivered to the addressee at the address stated on the shipping package;
    - ii. Until delivered at the proper address in the event of nondelivery by reason of error in address or removal of addressee; or
    - iii. Until returned to the premises of the sender in the event of nondelivery.
    - iv.
      - a. The insured may waive right(s) of recovery against private and contract carriers and accept bills of lading or receipts from carriers, bailees, warehousemen, or processors limiting their liability, but this transit insurance shall not inure to the benefit of any carrier, bailee, warehouseman, or processor.
      - b. With respect to shipments made under F.O.B. or similar terms, this Company agrees to waive its rights of subrogation against consignees at the option of the insured.
    - v. The insured is not to be prejudiced by any agreements exempting lightermen from liability.
    - vi. Seaworthiness of any vessel or watercraft is admitted between this Company and the insured.

## **G. Valuable Papers and Records**

1. To cover direct loss in any one occurrence by a peril not otherwise excluded to valuable papers and records consisting of books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, and other records, all the property of the Insured at insured locations.



2. Valuable Papers and Records shall be valued at the actual reproduction cost of the property with other of like kind and quality at the time of loss or damage, if actually reproduced; otherwise, at the actual cash value or at the value of the insured's liability to others, whichever is applicable, not to exceed, however, the actual reproduction cost.

## H. Crime

1. Loss of "money", "securities" and other property which the insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an "employee", acting alone or in collusion with others. Dishonest or fraudulent acts used in this policy shall mean only dishonest or fraudulent acts committed by such employee with the manifest intent:
  - a. To cause the insured to sustain such loss; and
  - b. To obtain financial benefit for the employees, or for any other person or organization intended by the employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.
2. Loss of money and securities by the actual destruction, disappearance or wrongful abstraction thereof within the premises or within any "banking premises" or similar recognized places of safe deposit.
3. Loss of money and securities by the actual destruction, disappearance or wrongful abstraction thereof outside the premises while being conveyed by a "messenger" or any armored motor vehicle company, or while within the living quarters in the home of any messenger.
4. Loss which the insured or any bank which is included in the insured's proof of loss and in which the insured carries a checking or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any check, draft promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the insured, or made or drawn by one acting as agent of the insured or purporting to have been made or drawn as hereinbefore set forth, including
  - a. Any check or draft made or drawn in the name of the insured payable to a fictitious payee and endorsed in the name of such fictitious payee;
  - b. Any check or draft procured in a face to face transaction with the insured, or with one acting as agent of the insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
  - c. Any "payroll" check, "payroll" draft or "payroll" order made or drawn by the insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

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

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

The insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this insuring agreement, whether sustained by the insured or such bank, shall be paid directly to the insured in its own name, except in cases where such bank shall have already fully reimbursed the insured for such loss. The liability of the Company to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the insured's office to which such loss would have been allocated had such loss been sustained by the insured.

If the insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the insured or such bank to enforce such payment and the company shall give its written consent to the defense of such suit, then any reasonable attorney's fees, court costs, or similar legal expenses incurred and paid by the insured or such bank in such defense shall be construed to be a loss under this insuring agreement and the liability of the Company for such loss shall be in addition to any other liability under this insuring agreement.

5. Premises mean the interior of that portion of any building which is occupied by the insured in conducting its business.
6. In no event shall the Company be liable as respects securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided however, the actual cash value of such other property held by the insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.
7. The Company may, with the consent of the insured, settle any claim for loss of property with the owner thereof. Any property for which the Company has made indemnification shall become the property of the Company.
8. In case of damage to the premises or loss of property other than securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.
9. As respects valuation, any covered property for which valuation in the event of loss is not specifically mentioned above covered losses shall be adjusted on actual cash value basis.

## **7. PROPERTY EXCLUDED**

- A.** Currency, money, deeds, bills, evidence of debt or title, notes, manuscripts or securities; jewelry, precious metals, bullion, watches, silverware, furs and articles trimmed with fur, except as specifically covered elsewhere in this policy,
- B.** Property in the Course of Construction unless specifically agreed to and values declared to the West Virginia Board of Risk and Insurance Management prior to construction beginning but this exclusion shall not apply to alterations, additions or renovations of existing property

- C. Growing crops, standing timber; trees, shrubs, plants, lawns, animals or birds;
- D. Waterborne shipments to and from Puerto Rico, the Virgin Islands, Hawaii, and Alaska; waterborne shipments via the Panama Canal;
- E. Export shipments after loading on board an overseas vessel or watercraft or after ocean marine insurance attaches, whichever occurs first, and import shipments prior to discharge from the overseas vessel or watercraft or until the ocean marine insurance terminates, whichever occurs last;
- F. Water, unless held for sale and for which values are declared to West Virginia Board of Risk and Insurance Management, soil, land and land value;
- G. Outdoor swimming pools; fences, piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls not constituting a part of building; walkways, roadways, highways, turnpikes, parkways, trestles, and all other paved surfaces; outdoor signs and guardrails; unless such items are specifically included on statement of values and/or accepted and approved for coverage by the West Virginia Board of Risk and Insurance Management;
- H. The cost of excavations, grading or filling; foundations of buildings; machinery, boilers or engines whose foundations are below the under surface of the lowest basement floor, or where there is no basement, below the surface of the ground; pilings, piers, pipes, flues and drains which are underground; pilings which are below the low water mark except for coverage provided for coal mine subsidence;
- I. Drains, dikes, underground mines and mining equipment located beneath the surface of ground; aircraft, railroad tracks, tunnels, bridges except those that are a part of the West Virginia Turnpike, or that are agreed to be covered by the West Virginia Board of Risk and Insurance Management prior to loss.

## **8. PERILS INSURED AGAINST**

This policy insures against risk of direct physical loss of or damage to property described herein including general average, salvage and all other charges on shipments covered hereunder caused by an "occurrence", except as hereinafter excluded.

## **9. PERILS EXCLUDED**

This policy does not insure against loss caused by or resulting from:

- A. Infidelity or dishonesty of the insured, or any officer, employee or public official of any kind, elected or appointed thereof; or loss or damage resulting from the insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretense; nor any unexplained loss, or loss or shortage disclosed on taking inventory, except as provided elsewhere herein.
- B. The cost of making good defective design or specifications, faulty material, or faulty workmanship; however, this exclusion shall not apply to loss or damage resulting from such defective design or specifications, faulty material, or faulty workmanship.

- C. Electrical arcing, electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical equipment, caused by electrical currents artificially generated unless loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage.
- D. Machinery or mechanical breakdown unless loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage.
- E. Explosion, rupture, or bursting of pressure vessels or pipes, boilers, steam pipes, steam turbines, steam engines or flywheels owned or operated by the insured unless loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage.
- F. Damage sustained to that part of the property insured which is actually being worked upon and directly resulting therefrom; or caused by any repairing, adjusting, servicing, maintenance operations, testing or turning: resulting loss or damage to other property covered hereunder, by perils insured hereby, shall, however, be covered unless otherwise excluded.
- G. Wear and tear, deterioration, rust or corrosion, mold, wet or dry rot; inherent or latent defects; smog, smoke, vapor or gas from agricultural or industrial operations; settling, expansion or contraction due to changes of temperature, unless resulting in collapse of the property or a material part thereof; cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings; animals, birds, vermin, termites or other insects; unless loss or damage from a peril insured against herein ensues and then this policy shall cover for such ensuing loss or damage.
- H. Delay, loss of market or use, indirect or consequential loss or loss directly attributable to legal proceedings, except general average and salvage charges.
- I. Against nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote; or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy, except:
  - 1. If fire ensues, liability is specifically assumed for direct loss by such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation, or radioactive contamination.
  - 2. This company shall be liable for loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage for each occurrence from material used or stored or from processes conducted on insured premises, provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises.
- J.
  - 1. Against hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
    - a. By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
    - b. Or by military, naval, or air forces;

- c. Or by an agent of any such government, power, authority, or forces;
  - 2. Against any weapon employing atomic fission;
  - 3. Against rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such occurrence;
  - 4. Seizure or destruction by order of public authority, except destruction by order of public authority to prevent the spread of fire or explosion;
  - 5. Risks of contraband or illegal trade.
- K.** Contributed to or aggravated by "flood", or "earthquake", unless loss by fire, theft or explosion not otherwise excluded by this policy ensues, and then the Company shall be liable for only such ensuing loss; except ;this exclusion shall not apply to:
- 1. Licensed automotive vehicles, other similar property of a mobile nature not intended for sale.
  - 2. Property which is in due course of transit
  - 3. "Coal mine subsidence".
  - 4. Bridges of the West Virginia Turnpike owned by West Virginia Parkways Authority.
  - 5. Property in the custody of processors.
  - 6. State owned properties Only, as per sublimit K., \$2,000,000

In regard to paragraph 9 (K) item 1 through 6, each loss by earthquake shall constitute a single claim hereunder, provided if more than one earthquake shock shall occur within any period of (168) hours during the term of this policy, such earthquake shocks shall be deemed to be a single earthquake within the meaning thereof;

- L.**
- 1. Any loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of contaminants or pollutants, whether direct or indirect, proximate or remote, or in whole or in part caused by, contributed to or aggravated by any physical damage insured in this policy.

This exclusion shall not apply if seepage or contamination or pollution arises from direct physical loss or damage to insured property from fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicle contact, riot or civil commotion, vandalism, or sprinkler leakage.

CONTAMINANTS or POLLUTANTS means any material which can cause or threaten damage to human health or human welfare or the environment or cause or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, fungi, virus, or hazardous substances.

2. Any loss, cost or expense arising out of or in any way related to the presence or suspected presence of asbestos or asbestos-containing products or material unless the asbestos or asbestos-containing product or material itself incurs direct physical loss or damage caused by Fire, Lightning, Explosion, Windstorm or Hail, Smoke, Aircraft or Vehicle Contact, Riot or Civil Commotion, Vandalism, or Sprinkler Leakage.
  3. Any loss, cost or expense arising out of or in any way related to the presence or suspected presence of lead or lead-containing products or material (including that particular part of any property to which it is applied or to which it adheres or is incorporated into) unless the lead or lead-containing product or material itself incurs direct physical loss or damage caused by Fire, Lightning, Explosion, Windstorm or Hail, Smoke, Aircraft or Vehicle Contact, Riot or Civil Commotion, Vandalism, or Sprinkler Leakage.
- M.** Plumbing, heating, air conditioning or other equipment or appliances (except fire protection systems) for loss by leakage or overflow from such equipment or appliances caused by or resulting from freezing unless the Insured shall have exercised due diligence with respect to maintaining heat in building(s) or unless such equipment and appliances had been drained and the water supply shut off.
- N.** Loss or damage due to conversion, embezzlement or secretion by any person in possession of a covered automobile under a bailment lease, condition sale purchase agreement, mortgage or other encumbrance.
- O.** As respects Time Element:

This Company shall not be liable for:

1. Any increase of loss due to local, state or federal ordinance or law regulating construction, repair, replacement or operation of building equipment;
2. The suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then this Company shall be liable for only such loss as affects the insured's earnings, and limited to the period of restoration covered under this coverage; nor shall this Company be liable for any other consequential or remote loss;
3. Any increase of loss due to interference at the insured premises by strikers or other unauthorized persons with rebuilding, repairing or replacing the property or with resumption or continuation of business;
4. Expenses incurred to extinguish a fire;
5. Loss resulting from damage to or destruction of finished stock, nor for the time required to reproduce said finished stock, except as otherwise provided herein;

**P. As respects Transit/Registered Mail**

1. This policy does not cover contraband, or property in the course of illegal transportation or trade.

Exclusions B, C, D, E, and F do not apply to property in transit.

Exclusions C, D, and E do not apply to valuable papers and records.

**10. GENERAL CONDITIONS**

**A. Conformity with Statute**

The terms of this policy and forms attached hereto which are in conflict with the statutes of the State of West Virginia wherein this policy is issued are hereby amended to conform to such statutes.

**B. Declarations**

By acceptance of this policy, the named insured agrees that the statements furnished are their agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the named insured and the Company or any of the agents relating to this insurance.

**C. Changes**

The terms of this policy shall not be waived or changed, except by endorsement issued by the Company to from a part of this policy.

**D. Inspection and Audit**

The Company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

**E. No Benefit to Bailee**

This insurance shall in no way inure directly or indirectly to the benefit or any carrier or other bailee for hire.

**F. Assignment**

This policy shall be void if assigned or transferred without the written consent of this Company.

**G. Cancellation of Policy**

This policy may be cancelled by either party providing the other with one hundred twenty (120) days written notice to the address named in the policy except in the event of non-payment of premium by the insured in which case the policy may be cancelled by the giving of ten (10) days written notice to the first named insured by the Company.

**H. Notice to Insured**

If more than one insured is named in the declarations, the insured first named shall act for itself and for every other insured for all purposes of this policy. Knowledge possessed by an insured shall, for the purposes of this policy, constitute knowledge possessed by every insured. Cancellation of this policy by, or through notice to, the insured first named shall be cancellation of this policy with respect to every insured.

**I. Protective Safeguards**

It is a condition of this insurance that the insured shall maintain so far as is within his control protective safeguards in effect at inception or added during the policy term.

Failure to maintain such protective safeguards shall suspend this insurance, only as respects the location or situation affected, for the time of such discontinuance.

**J. Automatic Acquisition**

Subject to the sub-limit of liability indicated in Paragraph 3B, it is understood and agreed that this policy is extended to cover additional property and interests as described in this policy, which may be acquired or otherwise become at the risk of the insured during the period of this policy, or, if renewed, a period of up to 180 days from the date of acquisition, whichever is greater. Such coverage is subject to the terms and conditions of the Premium Adjustment Clause.

**K. What to do when loss occurs**

1. The insured shall, as soon as practicable, report to this Company every loss or damage which may become a claim under this policy. Failure by the insured to report the loss or damage and to file proof of loss as required shall invalidate any claim hereunder for such loss;
2. It shall be necessary for the insured to use all lawful and proper efforts for the safeguarding and recovery of the property covered or its value without prejudice to this insurance, and this Company will contribute to the just and reasonable charges thereof in such proportion as the amount of insurance hereunder bears to the whole value of the property involved in the disaster at the time such loss shall occur. The acts of each party or their agents in saving, preserving or recovering the property shall not be considered or held to be either a waive or an acceptance of abandonment;
3. The insured and every claimant hereunder shall submit to examination by the Company, sub-scribe the same, under oath, if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto;
4. No action shall lie against the Company unless, as a condition precedent thereto, there shall have full compliance with all the terms of this policy nor until sixty (60)



days after the sworn statements in proof of loss have been filed with the Company, nor at all unless commenced within two (2) years from the date when the insured first has knowledge of the loss;

5. The insured property may be owned by the insured or held by him in any capacity or may be property for which the insured is legally liable; provided the insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the insured's proof of loss;
6. It shall always be the option of this Company to take all or any part of the articles at the ascertained or appraised value or to repair or replace any property lost or damaged with other of like kind and quality within a reasonable time of giving notice, with sixty (60) days after receipt of the sworn statements in proof of loss herein required, of its intention to do so;
7. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
8. As often as may be reasonably required, permit us to inspect the property and records proving the loss or damage and examine your books and records. Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis and permit us to make copies from your books and records.
9. There can be no abandonment to the Company of the property insured unless specifically agreed to by the Company;
10. All adjusted covered claims shall be paid or made good within sixty (60) days after presentation and acceptance of sworn to and satisfactory statements in proof of interest and loss at this office of this Company unless otherwise stated herein. No loss shall be paid hereunder if the Insured has collected the same from others.
11. If the insured and the Company fail to agree as to the scope and the monetary amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then set the amount of loss and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The insured and the Company shall each pay their or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal;
12. If the insured shall sustain any loss covered by this policy which exceeds the applicable amount of insurance hereunder, the insured shall be entitled to all recoveries (except from surety ship insurance, excess insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, on account of such loss under this policy until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Company.
13. Each insured must cooperate with the West Virginia Board of Risk and Insurance Management and the Company in the investigation and settlement of a claim.

**L. Impairment of Recovery**

Except as noted below, the Company shall not be bound to pay any loss if the insured shall have impaired any right of recovery for loss to the property insured.

It is agreed that:

1. As respects property while on the premises of the Insured, permission is given the insured to release others in writing from liability for loss prior to loss, and such release shall not affect the right of the insured to recover hereunder, and
2. As respects property in transit, the insured may, without prejudice to their insurance, accept such bills of lading, receipts or contracts or transportation as are ordinarily issued by carriers containing a limitation as to the value of such goods or merchandise.

**M. Contributing Insurance**

Contributing insurance is insurance written upon the same plan, terms, conditions, and provisions as those contained in the policy. This insurance shall contribute in accordance with the conditions of this policy only with other contributing insurance as defined.

**N. Excess Insurance**

Excess insurance is insurance over the limit of liability set forth in this policy. The existence of such excess insurance shall not prejudice the coverage provided under this policy nor will it reduce any liability hereunder.

**O. Underlying Insurance**

- a. Underlying insurance is insurance on all or any part of the deductible and against all or any of the perils covered by this policy including declarations of value to the carrier. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.
- b. If the limits of such underlying insurance exceed the deductible amount which would apply in the event of loss under this policy, then that portion which exceeds such a deductible amount shall be considered "other insurance".

**P. Other Insurance**

Except for insurance described by the contributing insurance clause, by the excess insurance clause, or by the underlying insurance clause, this policy shall not cover to the extent of any other insurance, whether prior or subsequent hereto in date, and whether directly or indirectly covering the same property the same property against the same perils. This Company shall be liable for loss or damage only to the extent of that amount in excess of the amount recoverable from such other insurance. Notwithstanding that this policy only covers for the excess of any other collectible insurance, this Company guarantees prompt payment in full of the amount of loss which would have been otherwise recoverable hereunder and agrees to advance the amount of loss as a loan, without

interest, repayable only in the event of and to the extent of recovery from such other insurance.

**Q. Miscellaneous Conditions**

1. In the event of loss, permission is granted for the insured to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage, and provided further that the insured shall keep an accurate record of such repair expenditures. The cost of such repairs directly attributable to damage by any peril insured hereunder shall be included in determining the amount of loss. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and the insured shall protect the property from further damage.
2. Permission is hereby granted for such unoccupancy and/or vacancy as is usual or incidental to the insured occupancy.
3. Permission is hereby granted for such use of the premises as is usual and incidental to the occupancy and to keep and use all materials in such quantities as are usual and incidental to such occupancy.

**R. No Control**

This insurance shall not be prejudiced:

1. By any act or neglect of the owner of any building if the insured is not the owner thereof, or by any act or neglect of any occupant (other than the insured) of any building, when such act or neglect of the owner or occupant is not within the control of the insured, or
2. By failure of the insured to comply with any warranty or condition contained in any form or endorsement attached to this policy with regard to any portion of the premises over which the insured has no control.

**S. Loss Clause**

With the exception of loss subject to annual aggregate limits, no loss hereunder shall reduce the amount of this policy.

**T. Loss Payable Clause**

Loss if any, shall be adjusted with the first named insured and shall be payable to it unless other payee is specifically named hereunder; provided, at the option of the Company any loss to property of others may be adjusted with and paid to the owner of such property.

**U. Territory**

This policy covers within the fifty (50) states comprising the United States of America and also covers in the District of Columbia and Canada.

**V. Other Provision**

The insurance afforded by this Policy shall not be subject to the provisions of West Virginia Code Section 33-17-9, commonly known as the West Virginia Valued Policy Law. It is further agreed that no coinsurance clause shall be applicable to this policy.

**W. Demolition and Increased Cost of Construction**

In the event of loss or damage under this policy that causes the enforcement of any law or ordinance regulating the construction or repair of damaged facilities, this Company shall be liable for:

1.
  - a. The cost of demolishing the undamaged facility, including the cost of clearing the site;
  - b. The proportion that the value of the undamaged part of the facility bore to the value of the entire facility prior to loss;
  - c. Increased cost of repair or reconstruction of the damaged and undamaged facility on the same or another site and limited to the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property on same site. However, this Company shall not be liable for any increased cost of construction loss unless the damaged facility is actually rebuilt or replaced;
  - d. Any increase in the business interruption, extra expense and rental value loss arising out of the additional time required to comply with said law or ordinance.
2. The provisions of paragraph 9(L)(2) shall apply.

**X. Debris Removal**

- A. This policy also covers expense of removal of debris remaining after any loss hereby insured against, except that there shall be no liability assumed for the expense of removal of: (a) any foundations other than damaged portions which must be removed for repair or rebuilding; (b) any building or part thereof, the removal of which is required by any ordinance or law regulating demolition, construction, or repair. The total liability under this policy for both losses to property covered and debris removal expense shall not exceed the amount of insurance applying under this policy. Coverage for expense of the removal of debris of the property covered, however; shall not apply to removal of any property which discharges, releases or escapes into or upon any watercourse or body of water or onto property beyond the insured's premises.
- B. The provisions of paragraph 9(L)(2) shall apply.

**Y. Off Premises Power Coverage – Time Element**

Subject to all its provisions and stipulations, this policy is extended to cover the loss of earnings and extra expense at the locations insured, caused by the interruption of service to such locations. The interruption must result from direct physical loss or damage, by the perils insured against under this policy, to the following property that is not situated at the locations insured under this policy:

- a. Water supply services, meaning the following types of property supplying water to the locations insured under this policy:

- i. Pumping stations; and
  - ii. Water mains.
- b. Power supply services, meaning the following types of property supplying electricity, steam or gas to the locations insured under this policy:
  - i. Utility generating plants;
  - ii. Switching stations;
  - iii. Substations;
  - iv. Transformers; and
  - v. Transmission and distribution lines within one (1) statute mile of each insured location. However, overhead transmission and distribution lines and their supportive poles and/or towers are specifically excluded.

**Z. Inadvertent Errors or Omissions**

With regard to property owned by the State of West Virginia, coverage shall not be invalidated by an inadvertent error, omissions or improper descriptions mentioned in schedules related to the Policy, or in the policy itself.

**AA. Subrogation**

In the event of any payment under this policy, the Company shall be subrogated to all of the Insured's rights of recovery from any party or parties. The insured shall do everything necessary to help the Company enforce these rights and shall do nothing to prejudice them. The Company assigns its subrogation rights to the West Virginia Board of Risk and Insurance Management for recovery of the deductible as defined in Section 4 of this policy.

**11. SPECIAL CONDITIONS**

**A. Registered Mail Coverage**

- 1. Coverage is provided to cover property in registered mail between places anywhere in the world.
- 2. The insured will keep an accurate record of all mailings insured by this policy and each mailing will be recorded prior to loss.
- 3. These records will consist of:
  - a. A description of the property and the destination of each mailing;
  - b. The value of the property contained in each shipping package as covered by this policy; and
  - c. The number of shipping packages for each type of mailing covered by this policy.

4. The Company will furnish the bond of indemnity necessary to reissue or duplicate the property after receipt of notice of loss from the insured.

If, prior to the time the property can be replaced, the insured is required to deliver and cannot borrow equivalent property, the Company will pay the insured:

- a. The cost of equivalent property purchased by the insured in an available market;
  - b. The postage and insurance charges from that mailing; and
  - c. Any loss of interest actually earned on the property between the date of mailing and the date the equivalent property is purchased.
5. If the property cannot be reissued or duplicated or equivalent property cannot be purchased, the Company will pay the insured:
    - a. The value of the property on the date of loss;
    - b. When not already included in such value, any loss of interest actually earned on the property as of the date of mailing; and
    - c. The postage and insurance charges for that mailing.

Any payment for loss will be made to the insured or to the order of the insured.

When payment is made by the Company, all right, title and interest in the property will be conveyed to the Company.

6. Registered mail losses will be paid within sixty (60) days after receipt of the sworn statements in proof of loss

## **B. Crime Coverage**

1. Loss is covered under this policy only if discovered not later than one year from the end of the policy period.
2. Books and records. The insured shall keep records of all the insured property in such manner that the Company can accurately determine there from the amount of loss.
3. The Company shall not be liable for more than the amount shown as limit or sublimit of liability for any one occurrence. Regardless of the number of years this policy shall continue in force and the number of premiums which shall be payable or paid, the Company's total limit of liability shall not be cumulative from year to year or period to period.
4. Cancellation as to any employee. This policy shall be deemed cancelled as to any employee: (a) immediately upon discovery by the insured, or by any partner, or officer thereof not in collusion with such employee of any fraudulent or dishonest act on the part of such employee; or (b) at 12 noon standard time as aforesaid, upon the effective date specified in a written notice mailed to the insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Company of notice as aforesaid to the

insured at the address shown in this policy shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing.

5. Under paragraph 6 (H)(2) and (3) the Company shall not be liable for loss (a) due to the giving or surrendering of money or securities in any exchange or purchase; (b) due to accounting or arithmetical errors or omissions; or (c) of manuscripts, books or account or records;
6. The Company shall not be liable for loss of money and securities while in the custody of any armored motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (a) the Insured's contract with said armored motor vehicle company, (b) insurance carried by said armored motor vehicle company for the benefit of users of its service and (c) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this policy shall cover only such excess;
7. a. Under paragraph 6 (H)(2) and (3), the Company shall not be liable for loss, other than to money, and securities, by fire whether or not such fire is caused by, contributed to, or arises out of the occurrence of a hazard insured against;
- b. The Company shall not be liable for loss due to the surrender of money, securities, or other property away from the premises as a result of a threat to do:
  - i. Bodily harm to any person or
  - ii. Damage to the premises or property owned by the Insured or held by the Insured in any capacity;

Provided, however, these exclusions do not apply

- a. To employee dishonesty;
  - b. To loss of money, securities or other property while being conveyed by a messenger when there was no knowledge by the insured of any such threats at the time the conveyance was initiated;
  - c. To potential income, including but not limited to interest and dividends not realized by the insured because of loss covered under this policy;
  - d. To damages of any type for which the insured is legally liable, except direct compensatory damages arising from a loss covered under this policy;
  - e. To costs, fees and other expenses incurred by the insured in establishing the existence of or amount of loss covered under this policy.
8. Loss caused by unidentifiable employees: If a loss is alleged to have been caused by the fraud or dishonesty or any one or more of the employees and the insured shall be unable to designate the specific employee or employees causing such loss, the insured shall nevertheless have the benefit of paragraph 6 (H)(1) subject to the provisions of this policy, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said employees, and provided, further, that the aggregate liability of the Company for any loss shall not exceed the total limit of liability.

9. Ownership of property; interests covered: The insured property may be owned by the insured, or held by the insured in any capacity whether or not the insured is liable for the loss thereof, or may be property as respects which the insured is legally liable; provided this insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the insured's proof of loss.

## 12. PREMIUM ADJUSTMENT

- A. The deposit premium shown above was computed based on declared values of \$21,802,908,517.
- B. The insured agrees to report to this Company at the end of the annual policy term the total values of insured property, including loss of earnings and extra expense. If the values reported are greater than those reported at inception, additional premium is due and payable on the basis of pro rata of the annual rate for the difference in values. If the report is less than the previous reported values, return premium is due and payable to this insured on the basis of pro rata of the annual rate for the difference in values.

## 13. TITLES OF PARAGRAPHS

The several titles of the various paragraphs of this form (and of endorsements and supplemental contracts, if any, now or hereinafter attached to this policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

## 14. CERTIFICATES

All parties to whom a certificate of this insurance has been issued become additional insured's and/or loss payees and/or certificate holders, in accordance with the terms and conditions of said certificates, provided the Company is furnished a copy of each certificate of insurance.

Attached to and made part of Policy No. MAF760728-19

Of the AXIS Insurance Company

Issued to: State of West Virginia



**ENDORSEMENT NUMBER A**

Name of Insured: State of West Virginia

Effective Date of This Endorsement: July 1, 2019

Policy: MAF760728-19 of AXIS Insurance Company  
(Number) (Insurance Company)

It is understood and agreed that vandalism and/or destruction of Real and Personal Property of the insured by an employee, or public official, elected, appointed and/or a volunteer, shall not be considered a dishonest act.

All Other Terms and Conditions Remain Unchanged.

Attached To and Made Part of the Policy of the Company Shown Above.

**ENDORSEMENT NUMBER B**

Name of Insured: State of West Virginia

Effective Date of This Endorsement: July 1, 2019

Policy: MAF760728-19 of AXIS Insurance Company  
(Number) (Insurance Company)

It is understood and agreed that the annual deposit premium for the period of July 1, 2019 to July 1, 2020 is hereby due and payable as follows:

50% due July 1, 2019: \$1,155,450

50% due November 1, 2019: \$1,155,450

All Other Terms and Conditions Remain Unchanged.

Attached To and Made Part of the Policy of the Company Shown Above.

## MULTI-YEAR PROGRAM CONDITIONS ENDORSEMENT

**Named Insured:** State of West Virginia

**Endorsement Number:** C

**Policy Number:** MAF760728-19

**Policy Period:** 7/1/2019 to 7/1/2020

**Effective Date of Endorsement:** 7/1/2019

**Issued By:** Axis Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is understood and agreed, subject always to the terms, exclusions and conditions of this Policy that the State of West Virginia and Axis Insurance Company, hereby enter into this Multi-Year Program Conditions Endorsement for the Multi-Year Period set forth below. There will be no change in limit, sub-limits, deductible or policy form during this Multi-Year Period unless mutually agreed by the State of West Virginia and Axis Insurance Company.

**Multi-Year Period:** 7/1/2019 to 7/1/2022

**The following provisions are added to the Policy:**

Axis Insurance Company has agreed that if the loss ratio at the end of the 2019-2020 term is less than 35%, Axis Insurance Company will offer a 4% rate reduction for the 2020-2021 term. If the loss ratio is 35% or higher, Axis Insurance Company will renegotiate the renewal premium for the 2020-2021 term. Axis Insurance Company will extend the same renewal terms for the 2021-2022 term by using the final rate from the 2020-2021 term of 4%.

All other terms and conditions remain unchanged.

**Authorized Representative Signature:**



<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> D
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

### VACANT / UNOCCUPIED BUILDING ENDORSEMENT

- I. The following definitions are added to Section 5. Definitions in the Policy:
- P. The terms “vacant”, “vacancy”, or “vacant building” mean any building, or structure, which is declared with a value to the Board, which for a period of 90 days does not contain enough business personal property to conduct customary operations, except that:
1. Buildings under construction, or being actively remodeled are not considered vacant, and
  2. If the insured is a tenant, vacancy is determined in the context of the unit or suite rented or leased to the insured tenant; if the insured tenant’s premise contain enough business personal property to conduct customary operations the insured tenant is not subject to any of the vacancy penalties even if the remainder of the building is totally empty; and
  3. If the insured is the building’s owner, the entire building will be considered, not just the portion (if any) occupied by the insured building owner, and the building will be considered vacant unless at least 31 percent of its total square footage is used to conduct customary operations by an insured owner, or by a lessee or sub-lessee to whom the building is rented.
- Q. The terms of “unoccupied” or “unoccupied building” mean any building or structure which is declared with a value to the Board, in which the customary activities or operations of the insured have been suspended for a period of 90 days, but business personal property has not been removed.
- II. The following additions are made to Section 6. Coverage and Valuation in the Policy:
- A. Section 6.A.1.c. is amended as follows:
1. Valuation
  - c. Real and Personal Property other than Stock and Improvements and Betterments  
Except for “vacant buildings”, the cost to repair or replace the damaged property, without deduction for depreciation, with materials or like kind, size, capacity and quality subject to:
    - I. Liability under these terms shall not exceed the lesser of the following:
      - a) The values on file with West Virginia Board of Risk and Insurance Management;
      - b) The cost to repair, rebuild or replace on the same site with material of like kind, size, capacity and quality;
      - c) The actual expenditure incurred in repairing, rebuilding or replacing on the same or another site but not to exceed size and operating capacity that existed at time of loss.



- i. In the event that replacement with the kind and quality cannot be accomplished, the basis of loss adjustment will be the replacement cost new of unlike kind and quality to restore the function which existed prior to loss.
- ii. In the event of loss or damage to property which is not repaired, rebuilt or replaced within two years from the date of loss or damage, this Company shall not be liable for more than the actual cash value (with proper deduction for depreciation) of the property destroyed.

B. Section 6.A.1.d. is added as follows:

d. "Vacant Buildings"

- i. For any "vacant building", not owned by the State of West Virginia, liability under these terms shall not exceed the lesser of the following:
  - a) the declared values on file with the West Virginia Board of Risk and Insurance Management less 25%; or
  - b) the actual cash value (with proper deduction for depreciation) of the property destroyed, less 25%; however
  - c) any deductible shall be applied after the conditions imposed by a), or b), above.
- ii. For any "vacant building", owned by the State of West Virginia, the conditions imposed by subsection i., above, do not apply, and loss adjustment shall be as otherwise described in this policy.

III. The following additions are made to Section 9. Perils Excluded in the policy:

- Q. As respects buildings or structures which are "vacant", the Company is not obligated to pay for loss or damage resulting from any of the following perils:
  - 1. vandalism
  - 2. building glass breakage
  - 3. water damage, except as may be caused by sprinkler leakage
  - 4. theft
  - 5. attempted theft

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN IN FULL FORCE AND EFFECT.



All other terms and conditions remain unchanged.

Authorized Representative



ES 026 0106

<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> E
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

### JOINT OR DISPUTED LOSS AGREEMENT

- A. This endorsement is intended to facilitate payment of insurance proceeds when:
1. Both a boiler and machinery policy and this commercial property policy are in effect;
  2. Damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and
  3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B. This endorsement does not apply if:
1. Both the boiler and machinery insurer(s) and we do not admit to any liability; and
  2. Neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.
- C. The provisions of this endorsement apply only if all of the following requirements are met:
1. The boiler and machinery policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
  2. The damage to the Covered Property was caused by a loss for which:
    - a. Both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or
    - b. Either:
      - (1) The boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:
        - (a) All liability exists under the boiler and machinery policy; or
        - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy;
      - (2) We do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:



- (a) All liability exists under this commercial property policy; or
  - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy; or
- (3) Both the boiler and machinery insurer(s) and we:
- (a) Do not admit to any liability for payment; and
  - (b) Contend that some or all liability exists under the other insurer's policy; and
3. The total amount of the loss is agreed to by you, the boiler and machinery insurer(s) and us.
- D. If the requirements listed in Paragraph C. above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:
- 1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.
  - 2. The boiler and machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of loss that is in disagreement.
  - 3. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs 1. and 2., do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
  - 4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
  - 5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
  - 6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.
- E. Arbitration
- 1. If the circumstances described in Paragraph C.2.a. exist and the boiler and machinery insurer(s) and we agree to submit our differences to arbitration, the boiler and machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
  - 2. If any of the circumstances described in Paragraph C.2.b. exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.
  - 3. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.



#### F. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.





<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> F
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

**OCCURRENCE LIMIT OF LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

The following terms and conditions will apply to this policy:

1. The amount of insurance shown on the face of this policy is an amount per occurrence. In no event will the liability of this Company exceed this amount in any one covered loss, disaster or casualty, irrespective of the number of locations involved.
2. The premium for this policy is based upon the Statement of Values on file with the Company. In the event of covered loss, liability of the Company shall be limited to the least of the following:
  - (a) the actual adjusted amount of covered loss, less applicable deductible(s);
  - (b) for covered loss sustained to any specifically scheduled item or element of coverage, as scheduled in the most current Statement of Values on file with the Company, 100% of the individually stated amount of each individually scheduled item or element of coverage, less applicable deductibles, regardless of any reference to any sum total amount of specifically scheduled items or elements of coverage by location as may be listed or contained in the State of Values.
  - (c) the Limit of Liability or amount of insurance shown on the face of this policy.

All other terms and conditions remain unchanged.



All other terms and conditions remain unchanged.

\_\_\_\_\_  
Authorized Representative



<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> G
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

### **LAW ENFORCEMENT ANIMALS**

This endorsement modifies insurance provided under the following:

All Risks Coverage Form

The following coverage is added to Section 6.A. Real and Personal Property:

#### Law Enforcement Animals

1. As used in this Endorsement, a law enforcement animal means an animal that participates in law enforcement duties for you under the direction of your law enforcement agency and its employees, and includes police dogs and horses from equestrian units, rescue animals and search animals.
2. We will pay for direct physical loss of your law enforcement animals caused by any of the following causes of loss:

Death or injury caused by another while within the course of duty other than such death or injury caused by:

- (1) You or your employees;
- (2) Anyone acting under your or our employees' direction or with your consent; or
- (3) Anyone else to whom you entrust the animals;

that results in the death, necessary humane destruction or, in the case of theft, the total loss of the animals.

\*\* All Law Enforcement Animals: \$30,000 per occurrence

\*\* Any One Law Enforcement Animal: \$10,000 per occurrence

3. Under Section 7.C., Property Excluded, the exclusion of animals does not apply to the coverage provided by this endorsement.



4. The insurance provided under this endorsement does not apply to loss caused by the necessary humane destruction of any animal unless the humane destruction is itself made necessary by a cause of loss listed in provision 2. Above.
5. The most we will pay for loss of all law enforcement animals in any one occurrence under this endorsement is the limit of insurance shown in Paragraph 2. For All Law Enforcement Animals.

Subject to the All Law Endorsement Animals Limit of Insurance, the value of each animal lost in any one occurrence is agreed to be the Limit of Insurance shown in Paragraph 2. For Any One Law Enforcement Animal.



**All other terms and conditions remain unchanged.**

**Authorized Representative**



<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> H
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

POLICY INFORMATION:

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER  
THE ABOVE REFERENCED COMMERCIAL INSURANCE POLICY.**

**PLEASE READ IT CAREFULLY**

The following endorsements are amended to provide Pollution/Contamination cleanup coverage (as described in Item 9.L. of Perils Excluded) subject to **3. LIMITS OF LIABILITY, M.**, for any damage to property owned by the State of West Virginia which results from the perils described therein.

- 1) Nuclear, Chemical and Biological Exclusion Endorsement
- 2) Commercial Property Exclusion Endorsement
- 3) Mold, Fungi, Wet or Dry Rot, and Bacteria Exclusion Endorsement



**All other terms and conditions remain unchanged.**

**Authorized Representative**



<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> I
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

**COMMERCIAL PROPERTY EXCLUSION ENDORSEMENT**

1. EXCLUSIONS

A. POLLUTANTS AND CONTAMINANTS EXCLUSION

1) As used in this endorsement, Pollutants or Contaminants means:

- a. 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. Pollutants or contaminants include, but are not limited to those materials that can cause or threaten damage to human health or human welfare or cause or threaten damage, deterioration, loss of value, marketability or loss of use to property. Pollutants or contaminants include, but are not limited to bacteria, fungi, mold, mildew, virus or hazardous substances.

2) This policy does not cover any of the following.

- a. Loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of pollutants or contaminants, however caused;
- b. The expense or cost to extract or remove pollutants or contaminants from debris;
- c. The expense or cost to extract or remove pollutants or contaminants from land or water;
- d. The expense or cost to extract or remove, restore or replace contaminated or polluted land or water;
- e. The costs associated with the enforcement or any ordinance or law which requires the Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of pollutants or contaminants;



- f. Any cost to transport any property or debris to a site for storage or decontamination required because the property is infected by pollutants or contaminants, whether or not such removal, transport or decontamination is required by law, regulation or any authority governing such matters;
- g. Any cost to store or otherwise dispose of any property because pollutants or contaminants infect the property; or
- h. Any expense for the investigation or defense of any loss, damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

3) Additional Coverage

This policy is extended to cover the necessary and reasonable expenses actually incurred by the insured to clean up or remove pollutants from land or water at Covered Locations under this policy during the policy period if the discharge, dispersal, seepage, migration, release or escape of the pollutants is directly caused by or results directly from fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective system. The most the Company will pay for such pollutant clean up or removal is a \$10,000 aggregate in any one policy year. The expenses will be paid only if they are reported to the Company in writing within 180 days of the date on which the covered loss occurs. This additional coverage does not increase the Policy Limit of Insurance.

B. ASBESTOS, DIOXIN OR POLYCHLORINATED BIPHENOLS MATERIALS EXCLUSION

- 1) In this exclusion, Asbestos, Dioxin, and Polychlorinated Biphenols are all referred to as "Materials."
- 2) This policy does not cover loss or damage caused directly or indirectly by any of the following:
  - a. Removal of such "Materials" from any goods, products, structures or debris;
  - b. Demolition, increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such "Materials";
  - c. Any governmental direction or request declaring that such "Materials" present in or part of or utilized in any undamaged portion of the Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified; or
  - d. Any expense for the investigation or defense of any loss, damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

3) Additional Coverage

This policy is extended to cover the necessary and reasonable expenses actually incurred by the Insured to remove Asbestos at Covered Locations under this policy during the policy period if Asbestos itself is directly damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective system. The most the Company will pay for such Asbestos removal is a \$10,000 aggregate in any one policy year. The expenses will be paid only if they are reported to the Company in writing within 180 days



of the date on which the covered loss occurs. This additional coverage does not increase the Policy Limit of Insurance.

C. NUCLEAR EXCLUSION CLAUSE

- 1) The Company shall not be liable for loss or damage by nuclear reaction, nuclear radiation or radioactive contamination, however caused.
- 2) This policy will not cover any cost or expense to defend any claim or suit or pay any damages, loss or expense or obligation, resulting from nuclear reaction, nuclear radiation or radioactive contamination, however caused.

D. FINES OR PENALTIES

This policy will not pay any costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever.

2. OTHER INSURANCE CONTRACTS

Coverage provided by other insurance contract(s) for any exclusion in this endorsement shall not affect the terms and conditions as set forth by this endorsement. This policy shall not cover as excess insurance or contribute with such other insurance for loss or damage excluded by this endorsement.

The policy changes provided by this endorsement shall supersede and annul any conflicting provisions of the policy. All other matters not affected by this endorsement remain the same and shall be governed by the terms and conditions of the Company's policy to which this endorsement is attached.



<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> J
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

### **ELECTRONIC DATA AMENDMENT ENDORSEMENT**

- A. This endorsement replaces and supersedes any and all contrary policy provisions. This policy does not insure against loss, damage, destruction, erasure, corruption, alteration, diminished in value, or loss of use or usefulness of:
1. "Electronic Data" by any cause whatsoever (including but not limited to "Computer Virus"); and/or
  2. "Electronic Media" caused by or resulting from the loss, damage, destruction, distortion, erasure, corruption, alteration, diminished in value, or loss of use or usefulness of "Electronic Data" or "Electronic Media".
- regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, destruction, distortion, erasure, corruption, alteration, diminished in value, or loss of use or usefulness of "Electronic Data" or "Electronic Media"
- This exclusion does not apply to loss or damage to "Electronic Data" or "Electronic Media" caused by or resulting from the Perils of Fire; Lightning; Explosion; Windstorm or Hail; Smoke; Aircraft or Vehicles; Riot and Civil Commotion; Willful or malicious physical loss or damage by a means other than "Computer Virus"; Leakage from fire extinguishing equipment; Sinkhole collapse; Falling Objects; Weight of snow, ice or sleet, Water Damage; Building glass breakage; Sonic Boom; Flood; Earth Movement or Volcanic Action, if and to the extent such Perils are already covered by this or by any underlying policy.
- B. Definitions
1. "Electronic Data" means facts, concepts, information or data, including compilations thereof, in a form useable or intended for the use or processing by "Computer" or for storage on "Electronic Media". "Electronic Data" included but is not limited to files, programs, applications, operating systems, and other coded instructions for the processing, calculation and storage of facts, concepts and information by "Computers".
  2. "Electronic Media" means any physical device that holds, stores, contains or transfers "Electronic Data", and includes but is not limited to disks, drives, films, tapes, records, drums or cells.
  3. "Computers" includes but is not limited to mainframes, servers, workstations and portable "Computers" personal information managers, wide and local area network hardware, electronic and electromechanical equipment, data processing equipment, electronic controls for machinery, electronically programmed memory chips, and electronically controlled communication equipment.
  4. "Computer Virus" means instructions, code, applications or any software program that has the ability or is suspected to have the ability to damage, destroy, erase, corrupt, alter, or prevent access to "Electronic Data", "Electronic Media" or "Computers" or to disrupt or interfere with the operations of "Computer".





<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> K
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

**MOLD, FUNGI, WET OR DRY ROT, AND BACTERIA EXCLUSION ENDORSEMENT**

1. EXCLUSIONS:

This policy does not cover:

- A. Loss or damage caused directly or indirectly by mold or other fungi, wet or dry rot, or bacteria;
- B. The costs associated with the enforcement of any ordinance or law which requires the Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of mold or other fungi, wet or dry rot, or bacteria; or
- C. Any costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever.

This mold or other fungi, wet or dry rot, or bacteria exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

2. LIMITED COVERAGE FOR MOLD, FUNGI, WET OR DRY ROT AND BACTERIA

This policy is extended to cover, subject to a maximum total limit of \$10,000 per occurrence, loss or damage directly caused by or resulting from mold or other fungi, wet or dry rot, or bacteria if such mold or other fungi, wet or dry rot, or bacteria is directly caused by or results from one or more of the following causes that occurs during the policy period:

- Fire;
- Lightning;
- Explosion;
- Windstorm;
- Hail;
- Smoke;
- Vehicles;



- Aircraft;
- Civil disturbance;
- Riot;
- Vandalism;
- Sprinkler leakage;
- Leakage from fire extinguishing equipment;
- Sinkhole collapse;
- Volcanic action;
- Falling objects;
- Weight of snow, ice or sleet;
- Water damage; or
- Collision, or upset or overturn of a transporting vehicle:
  - 1) at locations occupied by the Insured; or
  - 2) away from the locations occupied by the Insured when the transporting vehicle is owned, operated, rented, leased or borrowed by the Insured.

If this policy includes coverage for flood, earthquake or earth movement it will be considered a covered peril for mold or other fungi, wet or dry rot, or bacteria.

As applied to this limited coverage for loss or damage by mold, fungi, wet or dry rot, and bacteria, "loss or damage" means:

- A. Direct physical loss or damages to Covered Property by mold, fungus, wet or dry rot or bacteria, including the cost of removal of the mold, fungus, wet or dry rot or bacteria;
- B. The cost to tear out and replace any part of the building or other property as needed to gain access to the mold, fungus, wet or dry rot or bacteria; and
- C. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is reason to believe that mold, fungus, wet or dry rot or bacteria are present.



The maximum total limit provided by this coverage extension is \$10,000 per occurrence regardless of the number or type of coverages that may apply, the number of locations to which this coverage extension applies, or regardless of the number or type of mold or other fungi, wet or dry rot, or bacteria that caused the loss or damage. When this agreement and any other insuring agreement or endorsement written by the Company applies to the same mold or other fungi, wet or dry rot, or bacteria loss, \$10,000 is the most the Company will pay on a combined total basis for all such loss. This amount is not in addition to the limits of coverage for real or personal property, flood, earthquake or earth movement or time element coverage as specified elsewhere in this policy.

### 3. DEFINITIONS

#### A. Mold or other fungi means:

- 1) any type or form of mold or mildew;
- 2) any other type or form of fungus; or
- 3) any mycotoxin, spore, scent or byproduct that is produced or released by such mold, mildew or other fungus.

#### B. Bacteria means:

- 1) any type or form of bacterium; or
- 2) any byproduct that is produced or released by such bacterium.



<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> L
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued By</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**This endorsement changes the policy. Please read it carefully.**

**NUCLEAR, CHEMICAL AND BIOLOGICAL EXCLUSION ENDORSEMENT**

The following exclusions are added to your Policy.

This insurance does not apply to:

- A. Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused. This exclusion replaces any other nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination exclusions found elsewhere in this Policy.
  
- B. Loss or damage arising directly or indirectly from the dispersal, application or release of, or exposure to, chemical or biological materials or agents that are harmful to property or human health, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy, however such dispersal, application, release or exposure may have been caused.
  
- C. This exclusion applies to all coverage under the Policy notwithstanding any coverage extension or any other endorsement.



<b>Named Insured</b> State of West Virginia		<b>Endorsement Number</b> M
<b>Policy Number</b> MAF760728-19	<b>Policy Period</b> 07/01/2019 to 07/01/2020	<b>Effective Date of Endorsement</b> 07/01/2019
<b>Issued by</b> AXIS Insurance Company		<b>Endorsement Issue Date</b> 07/01/2019

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF TERRORISM LOSSES OUTSIDE THE UNITED STATES**

A. The following exclusion is added:

1. We will not pay for loss or damage to property outside the fifty (50) states of the United States and the District of Columbia caused directly or indirectly by "terrorism", including action in hindering or defending against actual or expected "terrorism". Nor will we pay for any loss, damage, cost, claim or expense directly or indirectly arising out of or relating to such loss or damage to property. All such loss, damage, cost, claim or expense is excluded regardless of any other cause or event that contributes concurrently or in any other sequence to the loss, damage, cost claim or expense.
2. Except as set forth in paragraph 3., and notwithstanding anything to the contrary in paragraph 1 of this Endorsement, coverage or exclusion of any act certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002 (including any amendments thereto) shall be in accordance with the provisions of any endorsement to this policy addressing such certified acts.
3. Notwithstanding anything to the contrary in any endorsement adding a conditional exclusion of terrorism, the provisions of this endorsement continue to apply even if the conditional exclusion becomes applicable.

B. Severability

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder will remain in full force and effect.

C. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this policy.

D. The following definition is added:

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

AXIS NON-US TERRORISM EXCLUSION 01 15

Includes copyrighted material of Insurance Services Office, Inc. with its permission.

2. When one or both of the following applies:
  - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



## SIGNATURE PAGE

IN WITNESS WHEREOF, the Company has caused the facsimile signatures of its President and Secretary to be affixed hereto, and has caused this policy to be signed on the Declarations by an authorized representative of the Company.

A handwritten signature in black ink, appearing to read "Peter J. Vogt". The signature is written in a cursive, flowing style.

Peter J. Vogt, President

A handwritten signature in black ink, appearing to read "Andrew Weissert". The signature is written in a cursive, flowing style.

Andrew Weissert, Secretary





## **CLAIM NOTICE**

To report a new claim notice/loss, please notify:

### **AXIS U.S. INSURANCE**

During business hours of 8:30 AM EST to 4:30 PM EST.

#### **Mailing Address**

PO Box 4470  
Alpharetta, GA 30023

#### **Shipping Address**

11680 Great Oaks Way  
Suite 500  
Alpharetta, GA 30022

**Phone:** (678) 746-9400  
**Fax:** (678) 746-9315  
**Toll Free Fax:** (866) 770-5629  
**E-mail:** [USClaimNoticeATL@axiscapital.com](mailto:USClaimNoticeATL@axiscapital.com)

#### **After business hours**

Please contact Cunningham Lindsey at 1-800-621-5410.

