

RESOLUTION NO. 2000 - 7

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ELK GROVE RELATIVE TO INSURANCE COVERAGE

WHEREAS, the City of Elk Grove wishes to obtain insurance coverage to help maintain the City's economic stability and to preserve the City's financial reserves;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elk Grove as follows:

1. The City Council approves and accepts Policy No. PHJ 090186 with Royal Insurance Company of Amercia, as set forth in Exhibit A hereto;
2. The City Council directs staff to take whatever further steps are necessary to implement this insurance coverage.

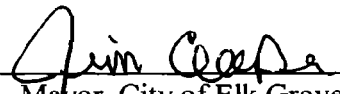
PASSED AND ADOPTED by the City Council of the City of Elk Grove on this 1st day of July, 2000, by the following vote:

AYES: Cooper, Soares, Leary, Scherman, Briggs

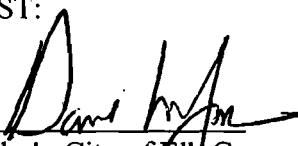
NOES: 0

ABSENT: 0


ABSTAIN: 0


Mayor, City of Elk Grove

ATTEST:


City Clerk, City of Elk Grove

APPROVED AS TO FORM:


City Attorney, City of Elk Grove

**S.J. PETRAKIS INSURANCE SERVICES, INC.**

CALIFORNIA LICENSE NUMBER: 0530778

160 SPEAR STREET, SUITE 1620

SAN FRANCISCO, CA 94105

TEL: (415) 512-9913 FAX: (415) 512-9925

No 8790

THIS IS TO CERTIFY that the undersigned have procured Insurance as hereinafter specified from certain Insurers. Insurance described herein has been effected, against which a Policy(ies) will be issued and in the event of any inconsistency the terms, conditions and provisions of the Policy(ies) shall prevail.

Assured and
Address: CITY OF ELK GROVE
P. O. BOX 1776
ELK GROVE, CA 95759

Amount or Limits: PLEASE SEE ATTACHED

Coverage: PLEASE SEE ATTACHED

Remarks: ANNUAL PREMIUM: \$85,000.
MINIMUM EARNED PREMIUM TWENTY-FIVE (25%) PERCENT
POLICY PERIOD: JULY 1, 2000 - JULY 1, 2001
POLICY NUMBER: PH1090186

Company: ROYAL INSURANCE COMPANY OF AMERICA

Period: 60 days from JULY 1, 2000 to AUGUST 30, 2000
both days at 12:01 A.M. standard time at place of issuance.

Insurance under this Binder will cease at the last above named date at the location of risk insured, or at such time prior thereto as the Policy(ies) may be issued on the above risk, unless previously cancelled in writing. The undersigned are not the Insurers, however, Insurance has been effected by:

S.J. PETRAKIS INSURANCE SERVICES, INC.

Dated at: SAN FRANCISCO, CA This 30TH Day of JUNE 20 00

Producer: RICK ELLER INSURANCE AGENCY
953 ELK GROVE BLVD.
ELK GROVE, CA 95624

S.J. PETRAKIS INSURANCE SERVICES, INC.

By

JUPB-02/99



S.J. PETRAKIS INSURANCE SERVICES, INC.

CALIFORNIA LICENSE NUMBER: 0530778
160 SPRAR STREET, SUITE 1620
SAN FRANCISCO, CA 94105
TEL: (415) 512-9913 FAX: (415) 512-9925

Attachment to Binder No. 8790

Page 1 of 1

COVERAGE:

EXCESS PUBLIC ENTITY LIABILITY TO INCLUDE GENERAL LIABILITY, PUBLIC ENTITY ERRORS & OMISSIONS, EMPLOYMENT PRACTICES LIABILITY AND NON-OWNED & HIRED AUTO, ON AN OCCURRENCE BASIS. FORM: SJP 00 06 10/97

ROYAL:

\$10 MILLION @ \$10,000 DED (GL, E&O/EPL, AND NOH)
\$14 MILLION GENERAL ANNUAL AGGREGATE
\$10 MILLION E & O ANNUAL AGGREGATE

CONDITIONS:

- ♦ TWENTY-FIVE (25%) PERCENT MINIMUM EARNED PREMIUM
- ♦ COPY OF CITY GENERAL PLAN
- ♦ COOPERATION WITH LOSS CONTROL & COMPLIANCE WITH ANY RECOMMENDATIONS
- ♦ COMPLETION OF SJP EMPLOYMENT PRACTICES LIABILITY APPLICATION
- ♦ COMPLETION OF SJP YEAR 2000 APPLICATION

EXCLUSIONS:

- ♦ YEAR 2000
THIS EXCLUSION MAY BE DELETED UPON SATISFACTORY RESPONSES TO OUR YEAR 2000 QUESTIONNAIRE.
- ♦ PUNITIVE DAMAGE
- ♦ SUBSIDENCE
- ♦ NUCLEAR
- ♦ OWNED VEHICLE

**S. J. PETRAKIS INSURANCE SERVICES, INC.**160 SPEAR STREET, SUITE 1620 • SAN FRANCISCO, CA 94105
TEL: (415) 512-9913 / FAX: (415) 512-9925 • CALIFORNIA LICENSE NUMBER: 0530778**CLAIMS REPORTING PROCEDURES
DEDUCTIBLE/NO DEDUCTIBLE ACCOUNT**

The following procedures for claims reporting must be followed:

WHAT CLAIMS NEED TO BE REPORTED? ALL LOSSES

WHERE DOES THE FIRST REPORT GO?

Royal Specialty Underwriting, Inc.
945 East Paces Ferry Road, Suite 1890
Atlanta, GA 30326

Attn: Robert Alexander
Vice President

Telephone: (404) 231-2366
Facsimile: (404) 231-3766

COPIES OF ALL FIRST REPORTS SHOULD BE FORWARDED TO:

S. J. Petrakis Insurance Services, Inc.
160 Spear Street, Suite 1620
San Francisco, CA 94105

Attn: Marilyn Hunt
Claims Administrator

Telephone: (415) 512-9913
Facsimile: (415) 512-9925

WHAT NEEDS TO ACCOMPANY YOUR FIRST REPORT?

An Accrd form should be used. The following information should accompany the first report, if available:

- 1) Investigation Reports (e.g., Police Report, Incident Report, Repair Estimate, etc.)
- 2) Legal Pleadings (e.g., Claim Notice, Summons & Complaint, etc.)
- 3) Medical Reports

WHAT HAPPENS AFTER YOUR FIRST REPORT?

RSUI will assign an adjuster and a claim number. The adjuster will handle the claim to completion.

We do hope that these guidelines will be of assistance to you. If you have any questions or if a claim demands our immediate attention, please call us. We can be reached at (415) 512-9913. Our office hours are 8:00 a.m. - 5:00 p.m. Pacific Standard Time.

Thank you.



S. J. PETRAKIS INSURANCE SERVICES, INC.
 CALIFORNIA LICENSE NUMBER: 0530778

June 29, 2000

CITY OF ELK GROVE, CALIFORNIA

BINDER

NAMED INSURED: CITY OF ELK GROVE
 P. O. BOX 1776
 ELK GROVE, CA 95759

POLICY PERIOD: JULY 1, 2000 - JULY 1, 2001

COMPANY: ROYAL INSURANCE COMPANY OF AMERICA (A + 14)

POLICY NUMBER: PHI 090186

COVERAGE: EXCESS PUBLIC ENTITY LIABILITY TO INCLUDE GENERAL LIABILITY, PUBLIC ENTITY ERRORS & OMISSIONS, EMPLOYMENT PRACTICES LIABILITY AND NON-OWNED & HIRED AUTO, ON AN OCCURRENCE BASIS. FORM: SJP 00 06 10/97

ROYAL:	\$10 MILLION @ \$10,000 DED (GL E&O/EPL AND NOH)	\$ 65,000
	\$14 MILLION GENERAL ANNUAL AGGREGATE	\$ INCLUDED
	\$10 MILLION E & O ANNUAL AGGREGATE	\$ INCLUDED

TOTAL PREMIUM @ \$10 MILLION @ \$10,000 DED	\$ 65,000
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CONDITIONS:

- TWENTY-FIVE (25%) PERCENT MINIMUM EARNED PREMIUM
- COPY OF CITY GENERAL PLAN
- COOPERATION WITH LOSS CONTROL & COMPLIANCE WITH ANY RECOMMENDATIONS
- COMPLETION OF SJP EMPLOYMENT PRACTICES LIABILITY APPLICATION
- COMPLETION OF SJP YEAR 2000 APPLICATION

EXCLUSIONS:

- YEAR 2000
 THIS EXCLUSION MAY BE DELETED UPON SATISFACTORY RESPONSES TO OUR YEAR 2000 QUESTIONNAIRE (ATTACHED).
- PUNITIVE DAMAGE
- SUBSIDENCE
- NUCLEAR
- OWNED VEHICLE



**GOVERNMENTAL PROGRAM
PUBLIC ENTITY LIABILITY
DEDUCTIBLE OCCURRENCE-DEFENSE WITHIN LIMITS**

Throughout this policy, words and phrases that appear in bold have "special" meanings; they are defined in Section V - Definitions.

This policy provides coverage which has defense costs included within the Limits of Liability. Please read your policy carefully.

The insurance company named in the Declarations hereof, hereafter called "Company", in consideration of the payment of the premium and in reliance upon the statements in the Declarations and Application and subject to the limit of liability, exclusions, conditions and other terms of the policy agrees with the Named Insured as follows:

SECTION I. INSURING AGREEMENT

The Company will pay on behalf of the Insured for the ultimate net loss which the Insured becomes legally obligated to pay by reason of liability imposed by law for damages because of:

Coverage A	Bodily Injury
Coverage B	Personal Injury
Coverage C	Property Damage
Coverage D	Public Entity Errors And Omissions

or liability for damages because of Bodily Injury, Personal Injury or Property Damage of others assumed by contract, insofar as the Named Insured may legally do so.

This insurance applies only to Bodily Injury, Personal Injury, Property Damage or Public Entity Errors and Omissions caused by an occurrence to which this insurance applies during the policy period anywhere in the world, but only if a suit is brought arising out of such occurrence in the United States of America (including its territories and possessions), Puerto Rico or Canada.

The Company will not be responsible for any further sums including the defense of any suit after the applicable Limit of Liability shown in Item 1 of the Declarations has been exhausted in the payment of losses and defense costs.

SECTION II. DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

A. DEFENSE

The Company will have the right and duty to defend the Insured against any suit seeking damages. However, the Company will have no duty to defend the Insured against any suit seeking damages for Bodily Injury, Personal Injury, Property Damage or Errors & Omissions to which this insurance does not apply. The Company may, at their discretion, investigate any occurrence and settle any claim or suit that may result.

B. SETTLEMENT

The Insured will not admit liability or settle any claim or suit or incur any cost or expense without the written consent of the Company. The Company will not be liable for any costs or settlements incurred by the Insured prior to the Company's receipt of written notice of claim or suit.

The Company will have the right to investigate any claim or suit and/or negotiate the settlement thereof, as it deems expedient.

C. SUPPLEMENTARY PAYMENTS

The Company will pay on behalf of the Insured all expenses incurred by the Company in defense of any claim or suit and all interest on that part of the judgment which accrues after entry of the judgment and before the Company has paid, tendered or deposited in court that part of the judgment which does not exceed the Limit of Liability; pay on behalf of the Insured premiums on appeal bonds required in any claim or suit, or premiums on bonds to release attachments for an amount not in excess of the Limit of Liability, but without any obligation to apply for or furnish any such bonds; and, pay on behalf of the Insured all reasonable expenses, other than loss of earnings, incurred by the Insured at the Company's request.

SECTION III. COMPANY'S LIMIT OF LIABILITY**A. Regardless of the number of:**

1. Insureds under this policy;
2. Persons or organizations who sustain injury or damage; or
3. Claims or suits brought on account of Bodily Injury, Personal Injury, Property Damage, and/or Public Entity Errors And Omissions,

the Company's liability for ultimate net loss resulting from any one occurrence will be limited to the amount stated in the Declarations as applicable "per occurrence"; provided, however, that the Company's liability will be further limited to:

- a. The amount stated in the Declarations as "general annual aggregate" with respect to all ultimate net loss because of Bodily Injury, Personal Injury and Property Damage combined, except ultimate net loss because of injury or damage from the automobile hazard; or
- b. The amount stated in the Declarations as "Public Entity Errors and Omissions annual aggregate" with respect to all ultimate net loss because of Public Entity Errors And Omissions,

which occurs during each annual period while this policy is in force commencing from its effective date.

- B. For the purpose of determining the limit of the Company's liability, all damages arising out of continuous or repeated exposure to substantially the same general conditions will be considered as arising out of one occurrence.
- C. Public Entity Errors and Omissions taking place over more than one policy period insured by this Company shall be deemed to have taken place during the last policy period in which the Errors and Omissions occurs and only that Limit of Liability applies.
- D. Limit of Liability shall include defense costs.
- E. The annual aggregate applies:
 1. To each consecutive annual period; and
 2. To any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations.

If the policy period is extended after issuance for an additional period, the annual aggregate shall be deemed part of the preceding period for the purpose of determining the annual aggregate Limit of Liability.

SECTION IV. EXCLUSIONS

The Company shall not be obligated to make any payment or defend any lawsuit in connection with any claim or suit filed against the Insured as follows:

- A. To any obligation for which the Insured or any of its insurers may be held liable under any workers' or unemployment compensation, disability benefits or similar law, including United States Longshoremen's and Harborworkers' benefits;

B. To Bodily Injury to:

1. An employee of the Insured arising out of and in the course of:
 - a. Employment by the Insured; or
 - b. Performing duties related to the conduct of the Insured's business; or
2. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph 1. above;

This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to liability assumed by the Insured under contract or for damages provided such liability for damages is a result of employment practices liability.

C. To any liability arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft owned or operated by or rented or loaned to any Insured, or any other aircraft operated by any person in the course of his employment by an Insured;**D. To any injury to or destruction of:**

1. Property owned by the Insured; or
2. Property rented or leased to the Insured where the Insured had assumed liability for damage to or destruction of such property unless the Named Insured would have been liable in the absence of such assumption of liability;

E. To any liability for damages arising out of the ownership, maintenance, operation, use, loading or unloading of:

1. Any watercraft owned or operated by or rented or loaned to any Insured; or
2. Any other watercraft operated by any person in the course of his employment by any Insured;

but this exclusion does not apply to watercraft under fifty (50) feet in length;

F. To any liability for damages:

1. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants anywhere in the world;
2. For any loss, cost or expense arising out of any governmental direction or request that the Company, the Insured or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize or assess the effects of pollutants; or
3. For any loss, cost or expense, including but not limited to costs of investigation or attorneys' fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize pollutants.
4. The exclusions set forth in items 1, 2 or 3 above do not apply if said discharge, dispersal, release or escape of pollutants meets all of the following conditions:
 - a. It was accidental and neither expected nor intended by the Insured; and
 - b. It was demonstrable as having commenced on a specific date during the term of this policy; and
 - c. Its commencement became known to the Insured within seven (7) calendar days; and
 - d. Its commencement was reported in writing to the Company within thirty (30) calendar days of becoming known to the Insured; and
 - e. Reasonable effort was expended by the Insured to terminate the discharge, dispersal, release or escape of pollutants as soon as conditions permitted; and

- f. Its termination was within seventy-two (72) hours of its commencement.
- 5. Nothing contained in this exclusion will operate to provide any coverage with respect to:
 - a. Any site or location principally used by the Insured, or by others on the Insured's behalf, for the handling, storage, disposal, dumping, processing or treatment of waste material;
 - b. Any fines or penalties;
 - c. Any clean up costs ordered by the Superfund Program, or any federal, state or local governmental authority. However, this specific exclusion c. will not serve to deny coverage for third party clean up costs otherwise covered by this policy simply because of the involvement of a governmental authority;
 - d. Acid rain;
 - e. Clean up, removal, containment, treatment, detoxification or neutralization of pollutants situated on premises the Insured owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said pollutants; or
 - f. Water pollution caused by oil or its derivatives.

This exclusion does not apply to any injury, damage or any other liability caused by the following:

- 1. Fire fighting activities, including training burns, intentional demolition or burns for the purpose of limiting a fire, or the discharge of pollutants for the purpose of controlling a fire;
- 2. Bodily Injury or Property Damage caused by the Insured's fire department or hazardous response team responding to a contamination caused by a third-party unrelated to the Insured;
- 3. Law enforcement use of mace, oleoresin capicum (O.C. or pepper gas) or tear gas;
- 4. Bodily Injury or Property Damage arising out of heat, smoke or fumes from a hostile fire; or
- 5. Direct and immediate Bodily Injury or direct and immediate Property Damage arising out of operations involving pesticide or herbicide application at or from any site or location on which the Insured or any contractor or subcontractor working directly or indirectly on the Insured's behalf are performing operations if the operations performed meet all standards of any statute, ordinance, regulation, or license requirements of any federal, state or local government which apply to those operations.

The Pollution Exclusion does not apply to any Bodily Injury or Property Damage arising out of the automobile hazard or mobile equipment as follows:

- 1. Bodily Injury or Property Damage caused directly and immediately by pollutants when a container which holds such pollutants, and is being transported by the Insured's automobile or mobile equipment, is accidentally upset or accidentally overturned as a result of the operation of the Insured's automobile or mobile equipment, and the release of the pollutants is caused directly and immediately by such upset or overturn.
- 2. Bodily Injury or Property Damage caused by fuels, lubricants, fluids, exhaust gases or other similar pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the Insured's automobile or mobile equipment, if the pollutants are accidentally released directly from an automobile or mobile equipment part designed by its manufacturer to hold, store, receive or dispose of such pollutants;
- G. To any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, by whatever name called, and whether or not liability accrues directly against any Insured or by virtue of any agreement entered into by or on behalf of any Insured:

H. To any liability:

1. Arising out of the gaining of any profit or advantage to which the Insured is not legally entitled;
2. Arising out of the willful violation of a penal code or ordinance committed by or with the knowledge or consent of any Insured;

Defense, subject to the deductibles, will be provided until such time as such Insured is finally judicially determined to have intentionally or willfully caused the resulting damage;

Except that any act pertaining to any one Insured will not be imputed to any other Insured for the purpose of determining the application of this exclusion;

- I. To any liability arising out of estimates of probable costs or cost estimates being exceeded due to faulty preparation of bid specifications or plans including architectural plans;
- J. To Bodily Injury, Personal Injury, or Property Damage arising out of the ownership, maintenance, operation or use of any airfield, runway, hangar, building or other property in connection with aviation activities;

This exclusion also applies to liability arising from owned, non-owned or hired automobiles or mobile equipment while such automobiles or mobile equipment are on the premises of an airport owned, maintained or operated by the Insured. This exclusion applies only to automobiles or mobile equipment used in connection with aviation activities; however, coverage is afforded to those automobiles or mobile equipment while on airport public roadways or public parking areas.

Airport public roadways and public parking areas mean all unsecured areas of the airport properties which are open to the general public.

K. To any liability arising out of the:

1. Ownership, maintenance or operation of a hospital;
2. The activities of any nurse while working for any hospital;
3. Medical or surgical activities of any physician, surgeon or oral surgeon;
4. Performance of surgical procedures of any kind;

This exclusion does not apply to any liability arising out of the activities of any employee who is licensed and certified as an emergency medical technician or paramedic in the scope of their duties as such.

Except for Items 2, 3 and 4 above, this exclusion does not apply to any liability arising out of the Insured's operation of any Immunization Clinic, Sexually Transmitted Disease Clinic, Tuberculosis Clinic, Community Health Service Clinic, Senior Care Center or Nursing Home, nursing services (other than for a hospital) or to occupational related physical examinations performed by the Insured.

- L. To any liability arising out of any provisions of the Employee Retirement Income Security Act of 1974, Public Law 93-406 (or any amendment or addition thereto) or any State statute or common law rule which imposes fiduciary duties and responsibilities with respect to employee benefit programs;
- M. To any liability due to the failure to perform or breach of a contractual obligation except this exclusion does not apply to any employment related contracts as provided under employment practices liability;
- N. To any liability arising out of the depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument;
- O. To any liability arising out of the failure of any Insured to supply water, electricity, gas or oil;

This exclusion does not apply if the failure to supply results from the sudden and accidental injury to tangible property owned or used by any Insured to procure, produce, process or transmit water.

- P. To any liability arising out of the manufacture of, or mining of, or use of, or exposure to asbestos products, asbestos fibers or asbestos dust or to any obligation of the Insured to indemnify any party because of damages arising out of the manufacture of, use of, or exposure to asbestos products, asbestos fibers or asbestos dust;

- Q. To any liability based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service if such opinion, treatment, consultation or service was rendered or was not rendered while such insureds were engaged in any activity for which they received compensation from any source other than the Named Insured and/or were gratuitously engaged in other than by specific direction of the Named Insured;
- R. To any liability for the refund of taxes, fees or assessments;
- S. To any liability arising out of any actions, demands, claims, or suits seeking relief or redress in any form other than monetary damages, or any costs, fees or expenses which the insured becomes obligated to pay as a result of adverse judgment for injunctive or declaratory relief;
- T. To any liability due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement;
- U. To any liability for employment practices liability:
 - 1. Arising out of a lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations;
 - 2. Arising out of the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto or any similar federal, state or local law;
 - 3. Arising out of any cost for compliance to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person;
 - 4. Arising out of damages determined to be owing under an express contract of employment or an express obligation to make payments in the event of the termination of employment;
 - 5. Arising out of the cost of compliance awarded pursuant to a labor or grievance arbitration or to a collective bargaining agreement and does not include sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct.

SECTION V. DEFINITIONS

A. Administration means:

- 1. Giving counsel to employees with respect to employee benefit programs;
- 2. Interpreting employee benefit programs;
- 3. Handling of records in connection with employee benefit programs;
- 4. Effecting enrollment of employees under employee benefit programs.

B. Administrative Hearing means a non-judicial proceeding in which (1) employment practices liability is alleged and (2) monetary damages are requested and (3) monetary damages can be awarded and (4) awards of monetary damages are legally enforceable.

C. Automobile means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but automobile does not include mobile equipment.

- 1. Owned Automobile - an automobile owned by the Named Insured;
- 2. Hired Automobile - an automobile used under contract on behalf of, or loaned to, the Named Insured provided such automobile is not owned by or registered in the name of:
 - a. The Named Insured; or
 - b. An officer, volunteer or employee of the Named Insured who is granted an operating allowance of any sort for the use of such automobile;
- 3. Non-owned automobile - any other automobile.

- D. **Automobile Hazard** means liability arising out of the ownership, use (including maintenance or repair), loading or unloading of any automobile.
- E. **Bodily Injury** means **Bodily Injury**, sickness, disease, humiliation, mental anguish, mental injury, shock or fright sustained by a person including care, loss of service or death resulting from any of these at any time.
- F. **Completed Operations Hazard** includes liability arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the liability occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Named Insured. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:
1. When all operations to be performed by or on behalf of the Named Insured under the contract have been completed;
 2. When all operations to be performed by or on behalf of the Named Insured at the site of the operations have been completed; or
 3. When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or entity other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed. The completed operations hazard does not include liability arising out of:

1. Operations in connection with the transportation of property, unless the liability arises out of a condition in or on a vehicle created by the loading or unloading thereof; or
 2. The existence of tools, uninstalled equipment or abandoned or unused materials;
- G. **Damages** means money damages only. Damages do not include defense of claims or suits or any actions or proceedings of any kind for non-monetary damages or redress when an amount of money damages is not stated.
- H. **Deductible** means the amount of ultimate net loss stated in Item 2 of the Declarations and defense costs which are paid by the Insured.
- I. **Defense Costs** means all fees and expenses caused by and relating to the adjustment, investigation, defense or litigation of a claim or suit including defense attorney's fees and court costs.
- Defense Costs do not include the office expenses of the Company or the Insured or the salaries of employees or officials of the Company or any Insured.
- J. **Employee** includes a leased worker.
- K. **Employee Benefit Program** means:
1. Group life insurance, group accident or health insurance, investment plans or savings plans, profit sharing plans, pension plans and stock subscription plans, provided that no one other than an employee of the Insured may subscribe to such insurance or plans;
 2. Unemployment insurance, social security benefits, worker's compensation and disability benefits.
- L. **Employment Practices Liability** means liability arising out of the following offenses:
1. Wrongful dismissal, discharge or termination of employment;
 2. Breach of any oral or written employment contract or quasi-employment contract except an express contract of employment or an express obligation to make payments in the event of the termination of employment;
 3. Employment-related coercion or misrepresentation;

4. Violation of employment discrimination laws;
5. Workplace sexual or other harassment;
6. Wrongful failure to employ or promote;
7. Wrongful discipline, negligent evaluation or wrongful demotion;
8. Wrongful deprivation of a career opportunity; or
9. Employment-related:
 - a. Invasion of privacy,
 - b. Defamation, or
 - c. Wrongful infliction of emotional distress.

The following definitions apply only with respect to employment practices liability:

Discrimination means action or inaction with respect to any present or former employee or applicant for employment with respect to his or her compensation, terms, conditions, rights, privileges or opportunities because of race, color, religion, age, sex, disability, pregnancy, national origin, sexual orientation or other protected category or characteristic established pursuant to any applicable United States federal, state or local statute or ordinance.

Employee means an individual whose labor or service is engaged by and directed by an Insured. This includes part-time, seasonal and temporary employees as well as any individual employed in a supervisory, managerial or confidential position. Employee does not include any independent contractor or volunteer of any Insured.

Ultimate Net Loss includes statutory attorney fees arising out of a suit.

Where it is determined that a claim or suit covered by employment practices liability has occurred, no other coverage under this policy will be applicable.

M. **Hostile Fire** means a fire which becomes uncontrollable or breaks out from where it was intended to be.

N. **Insured** means the Named Insured and the following:

1. Past or present employees, volunteers or elected or appointed officials of the Named Insured and such commissions, boards, districts and authorities which operate under the direct supervision and control of the Named Insured, when acting in their capacity as such employees or elected or appointed officials; and
2. Any person while using an owned, non-owned or a hired automobile and any person or organization legally responsible for the use thereof, including garage operations, provided the actual use of the automobile is by or with permission of the Named Insured. Coverage provided with respect to any person or organization other than the Named Insured does not apply under this paragraph:
 - a. To any persons or organization other than the Insured engaged in selling, repairing, servicing, delivering, testing, road testing, parking or storing automobiles, with respect to any occurrence arising out of any such occupation;
 - b. With respect to any hired automobile, to the owner or to any agent or employee of such owner.

O. **Leased Worker** means a person leased to the Insured by a labor leasing firm under an agreement between the Insured and the labor leasing firm, to perform duties related to the conduct of the Insured's business.

- P. Mobile Equipment** means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled:
1. Not subject to motor vehicle registration; or
 2. Maintained for use solely on or next to premises the Insured owns or rents; or
 3. Designed for use principally off public roads; or
 4. Designed or maintained for the sole purpose of affording mobility to equipment of the following type forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment.
- Q. Named Insured** means the entity designated as such on the Declarations of the policy.
- R. Occurrence** means:
1. With respect to Bodily Injury or Property Damage:
 - a. An accident or event, including continuous or repeated exposure to substantially the same generally harmful conditions, which results in Bodily Injury or Property Damage neither expected nor intended from the standpoint of any Insured except for assault and battery committed or directed for the purpose of protecting persons or property;
 - b. The use of reasonable force to protect persons or property or with respect to the Insured's law enforcement activities or the Insured's departmentally approved law enforcement activities for others, to an act of the Insured (unless deemed to be a criminal act) within the arrest or incarceration process.
 2. With respect to Personal Injury and Public Entity Errors and Omissions respectively: an offense described in the definitions of those terms in this section.
- S. Personal Injury** means:
1. False arrest, false imprisonment, wrongful entry, wrongful eviction, wrongful detention or malicious prosecution;
 2. The publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of rights of privacy, unless done by or at the direction of the Insured with knowledge of its falsity;
 3. Piracy, unfair competition or idea misappropriation under an implied contract or infringement of copyright, title or slogan arising out of the Insured's advertising activities;
 4. Discrimination, unless insurance thereof is prohibited by law and excluding discrimination as otherwise provided under the employment practices liability provisions of this policy;
 5. Humiliation, mental anguish, mental injury, shock or fright arising out of Items 1 through 4.
- T. Pollutants** means 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. The term pollutant as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users or water used for fire suppression.
- U. Products hazard** includes Bodily Injury and Property Damage arising out of the Named Insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the Bodily Injury or Property Damage occurs after physical possession of such products has been relinquished to others.

V. Property Damage means:

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

W. Public Entity Errors and Omissions means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty including misfeasance, malfeasance or nonfeasance by the Insured, individually or collectively, in the discharge of their duties for the Named Insured, or any matter claimed against them solely by reason of their being or having been an Insured.

Public Entity Errors and Omissions includes injury that occurs during the policy period and arises out of any act, error or omission in the administration of the Insured's employee benefit program.

Public Entity Errors and Omissions includes employment practices liability.

X. Suit means a civil litigation in which damages because of Bodily Injury, Personal Injury, Property Damage or Public Entity Errors and Omissions to which this insurance applies are alleged. In addition to civil litigation, suit includes:

1. An arbitration proceeding alleging such damages to which the Insured must submit or submits with the Company's consent; or
2. Any other alternative dispute resolution proceeding alleging such damages and to which the Insured submits with the Company's consent; or
3. An Administrative Hearing limited to employment practices liability.

Y. Ultimate Net Loss means the total amount of damages the Insured is legally liable to pay arising out of Bodily Injury, Personal Injury, Property Damage or Public Entity Errors and Omissions.

Ultimate Net Loss may be determined by adjudication, arbitration or a compromise settlement to which the Company has previously agreed in writing.

Ultimate Net Loss will be reduced by any recoveries or salvages which have been paid or will be collected.

Ultimate Net Loss includes defense costs.

Z. Volunteer means an individual, other than an independent contractor, who is authorized by the Named Insured to act on behalf of the Named Insured but who acts without compensation.**SECTION VI. CONDITIONS****A. PREMIUM**

The premium set forth in the Declarations is an estimated premium only, unless indicated as a fixed premium. Upon termination of this policy, where the premium is estimated, earned premium will be computed in accordance with the premium computation provisions of an endorsement attached hereto. Where the earned premium thus computed exceeds the advance premium paid, the Named Insured will pay the remaining earned premium to the Company. Where the earned premium thus computed is less than the advance premium paid, the Company will return the unearned premium to the Named Insured.

B. EXAMINATION OF YOUR BOOKS AND RECORDS

The Company has the right but is not obligated to examine and audit the Insured's books and records as they relate to this policy any time during the policy period and up to five years afterward.

C. INSPECTIONS AND SURVEYS

The Company has the right but is not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions found; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Company does not make safety inspections. The Company does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Company does not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

D. SEVERABILITY OF INTEREST

The term Insured is used severally and not collectively, but the inclusion herein of more than one Insured will not operate to increase the Company's Limit of Liability.

E. PAYMENTS

If circumstances should occur wherein any Insured or any combination of Insureds are determined to be legally liable to one or more persons in a sum in excess of the Limit of Liability of the Company, or in such manner as to render one or more Insureds liable in excess of the Limit of Liability of the Company, then the Company may, at its option, apportion its payment on behalf of each Insured in the same proportion that the liability of each Insured bears to the total liability of all Insureds. Such payments by the Company shall be deemed to constitute full and final payment by the Company of all of its obligations to all Insureds, and in no event will the Company be liable for more than the agreed Limit of Liability.

F. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to the Company advance written notice of cancellation.
2. The Company may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if the Company cancels for nonpayment of premium; or
 - b. 60 days before the effective date of cancellation if the Company cancels for any other reason.
3. The Company will mail or deliver notice to the first Named Insured's last mailing address known to the Company.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, the Company will send the first Named Insured any premium refund due. If the Company cancels, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

G. INSURED'S DUTIES IN THE EVENT OF A CLAIM OR SUIT

In the event of a claim or suit the Insured will:

1. As soon as practicable, give to the Company or any of its authorized agents, written notice containing:
 - a. POLICY IDENTIFICATION
 - (1) Insured's name
 - (2) Policy number
 - (3) Effective and expiration dates
 - (4) Policy limits
 - b. OCCURRENCE INFORMATION
 - (1) Date and place of occurrence
 - (2) Name of each claimant
 - (3) Brief description of occurrence
 - (4) Nature and extent of damages to each claimant
2. As soon as practicable, forward to the Company or any of its authorized agents every demand, notice, summons or other processes received by the Insured or its representative.

The Insured will report losses, without regard to liability, falling within the following classifications:

- a. Amputations;
- b. Brain or spinal cord injury;
- c. Environmental claims;
- d. Fatalities;
- e. Hospital stays of two weeks or more;
- f. Loss of use of an arm, leg or eye;
- g. Major burns;
- h. Multiple fractures;
- i. Rape/sexual assault and molestation;
- j. Severe cosmetic deformity or disfigurement;
- k. Specific claim information if requested by the Company as a result of a claims audit; or
- l. Any controversy over a dispute as to coverage, state law, reserving, settlements, class action or a situation which could place the Insurance Company in a position of bad faith, thereby jeopardizing its rights.

The Insured will cooperate with the Company, and upon the Company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or entity who may be liable to the Insured because of injury or damages with respect to which insurance is afforded under this policy; the Insured will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured will not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense.

H. CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor will the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

I. ASSIGNMENT

Assignment of interest under this policy will not bind the Company until its consent is endorsed hereon. If, however, an Insured dies, such insurance as is afforded by this policy will apply:

1. To the Insured's legal representative, as the Insured, but only while acting within the scope of his duties as such; and
2. With respect to the property of the Insured, to the person having proper temporary custody thereof, as the Insured, but only until the appointment and qualification of the legal representative.

J. OTHER INSURANCE

If valid and collectible insurance with any insurer is available to the Insured covering a loss also covered hereunder, the insurance hereunder will be in excess of, and not contribute with such other insurance provided, however, this does not apply to insurance which is written as excess insurance over the Company's Limit of Liability provided in this policy.

In addition, this insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, that is valid and collectible insurance available to the Insured as an additional insured under a policy issued to:

1. A contractor performing work for the Insured;
2. A tenant renting or leasing land or premises from the Insured;
3. A lessee of equipment owned by the Insured.

When this insurance is excess, the Company will have no duty to defend any claim or suit that any other insurer has a duty to defend. If no other insurer defends, then, upon satisfaction of the applicable deductible, the Company will undertake to do so, but the Company will be entitled to the Insured's rights against all those other insurers.

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

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

The Company will share the remaining loss, if any, with any other insurance that is not described in this excess insurance provision and was not bought specifically to apply in excess of the limits of liability shown in the Declarations.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Company will not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- 1 **Contribution By Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the Company will not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable Limit of Liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid, the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

2. **Contribution By Limits.** If any of such other insurance does not provide for contribution by equal shares, the Company will not be liable for a greater proportion of such loss than the applicable Limit of Liability under this policy for such loss bears to the total applicable Limit of Liability of all valid and collectible insurance against such loss.

K. BANKRUPTCY

Bankruptcy, insolvency, or receivership of the Insured or the Insured's inability to pay the deductibles will not increase the obligations of the Company under this policy.

L. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE COMPANY

If the Insured has rights to recover all or part of any payment the Company has made under this policy, those rights are transferred to the Company. The Insured must do nothing after loss to impair them. At the company's request, the Insured will bring suit or transfer those rights to the Company and help the Company enforce them.

Any amount so recovered will be apportioned as follows:

1. Any interest (including the Insured's) having paid an amount in excess of the Insured's retention plus the Limit of Liability hereunder will be reimbursed first to the extent of the actual payment. The Company will be reimbursed next to the extent of its actual payment hereunder. If any balance then remains unpaid, it will be applied to reimburse the Insured or any underlying insurer, as their interests may appear.
2. The expenses of all such recovery proceedings will be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted by the Company, the Company shall bear the expenses thereof.

The Company waives any right of recovery the Company may have against any person or organization when the Insured has agreed to such waiver prior to loss.

M. LEGAL ACTION AGAINST THE COMPANY

There will be no right of legal action by any person or organization under this policy:

1. To join the Company as a party or otherwise bring the Company into a suit asking for damages from an Insured; or
2. To bring a legal action against the Company unless there has been full compliance with all of the terms of this policy.

A person or organization may bring a legal action against the Company to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but the Company will not be liable for damages that are not payable under the terms of this policy, or that are in excess of the applicable Limit of Liability.

An agreed settlement means a settlement and release of liability signed by the Company, the Insured and the claimant or the claimant's legal representative.

N. ARBITRATION

If any dispute arises between the parties to this policy either before or after its termination, with reference to the interpretation of this policy or the rights of either party with respect to any transactions under this policy, the dispute will be settled by mandatory arbitration.

The Company and the Insured may agree to use one arbitrator. If they fail to agree on the identity of one arbitrator, the dispute will be referred to three arbitrators; one being chosen by the Insured, one being chosen by the Company, and the third being chosen by the two aforesaid arbitrators. If the arbitrators so chosen by the Insured and the Company do not agree as to the third arbitrator within one month after both have accepted service, each party shall name two individuals of whom the other will decline one, and the selection will then be made by drawing lots. If either party hereto fails to appoint an arbitrator within one month after receipt of written notice, delivered by Certified Mail, from the other party requesting it to do so, the requesting party will name both arbitrators, and they will proceed in all respects as above stipulated.

Each party will bear the fee and expenses of its own arbitrator, one half of the fee and expenses of the third arbitrator and one half of the other expenses of the arbitration. In the event both arbitrators are chosen by one (1) party, the fees of the arbitrators will be equally divided between the parties.

The arbitrators will consider this agreement an honorable engagement rather than merely a legal obligation. Local rules of law as to procedure and evidence will apply and arbitration will take place in the county in which the Insured's address, as shown in the Declarations, is located. The decision of the majority of the arbitrators will be final and binding upon both parties and not subject to appeal.

A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the Insured or the Company.

O. ACCEPTANCE

By acceptance of this policy, the Insured represents that the information contained in the Declarations and any Application submitted to obtain this insurance is accurate and provided in good faith and that this policy is issued in reliance upon such representation. It is understood and agreed that this policy embodies all agreements between the Company and the Insured relating to this insurance.



This endorsement number :
Effective :
Forms a part of policy number :
Is used for :
By :

This Endorsement Changes The Policy. Please Read It Carefully.

**Governmental Program
SUBSIDENCE OR MOVEMENT OF LAND EXCLUSION**

This endorsement modifies insurance provided under the following:

(Insert Coverage Part Here)

The Company shall not be obligated to make any payment or defend any lawsuit in connection with any claim or suit filed against the Insured for any liability arising out of any earth movement resulting from natural causes, such as earthquake, landslide, earth sinking or subsidence.

This exclusion applies even if the concurrent cause is deemed to be partly or wholly responsible, unless the concurrent cause is a covered cause and is the prime or moving efficient cause of the loss.

All other terms and conditions in the policy remain unchanged.

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This endorsement number :
Effective :
Forms a part of policy number :
Issued to :
By :

This Endorsement Changes The Policy. Please Read It Carefully.

**Governmental Program
PUNITIVE OR EXEMPLARY DAMAGES EXCLUSION**

This endorsement modifies insurance provided under the following:

**PUBLIC ENTITY LIABILITY
EXCESS PUBLIC ENTITY LIABILITY
SCHOOL LIABILITY
EXCESS SCHOOL LIABILITY
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART**

The Company shall not be obligated to make any payment or defend any lawsuit in connection with any claim or suit filed against the Insured for punitive or exemplary damages, except that if a suit shall have been brought against the Insured with respect to a claim for acts or alleged acts falling within the coverage hereof, seeking both compensatory and punitive or exemplary damages, then the Company will afford a defense to such action without liability, however, for such punitive or exemplary damages.

All other terms and conditions in the policy remain unchanged.

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