

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING  
ROOM 113 - BILL LUXFORD STUDIO  
THURSDAY, AUGUST 20, 2015  
8:30 A.M.**

Commissioners Present: Roma Amundson, Chair  
Deb Schorr  
Todd Wiltgen

Commissioners Absent: Larry Hudkins, Vice Chair  
Bill Avery

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dennis Meyer, Budget and Fiscal Officer  
Dan Nolte, County Clerk  
Ann Taylor, County Clerk's Office

*Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on August 19, 2015.*

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:34 a.m.

**AGENDA ITEM**

**1 APPROVAL OF MINUTES OF THE AUGUST 13, 2015 STAFF MEETING**

**MOTION:** Schorr moved and Wiltgen seconded approval of the minutes of the August 13, 2015 Staff Meeting. Schorr and Amundson voted aye. Wiltgen abstained from voting. Avery and Hudkins were absent from voting. Motion carried 2-0, with one abstention.

**2 ADDITIONS TO THE AGENDA**

None were stated.

**3 INSURANCE RENEWALS** - Tom Champoux, UNICO Group, Inc.; Sue Eckley, County Risk Manager; Kari Wiegert, Risk Management Specialist

Tom Champoux, UNICO Group, Inc., gave an overview of the following types of coverage:

- Commercial Property
- Commercial Inland Marine
- Public Entity/Law Enforcement Liability
- Master Business Auto
- Sheriff's Business Auto
- Boiler/Machinery Coverage
- Crime
- Workers' Compensation
- Flood Insurance
- Fiduciary Liability
- General/Medical Professional Liability (Lancaster County Mental Health Crisis Center)
- General Liability/Excess Liability (Lancaster County Public Building Commission)

Sue Eckley, County Risk Manager, noted the renewals are scheduled to take effect September 30<sup>th</sup> but the renewal quotes will not be available until around September 1<sup>st</sup>. She said they will bring that information back to the Board and explain coverage options. With regard to workers' compensation coverage, Eckley said they have requested a two-year rate guarantee.

Champoux said there is a lot of capacity in the insurance marketplace right now with relatively flat pricing.

Schorr asked whether the insurance carriers look at the County's fund balances. Champoux said they do because they want to be sure the County's ability to pay the self-insured retention amount doesn't become an issue. Eckley noted the County contracts with Milliman, USA for an analysis of claims and whether the County is setting aside sufficient funds in the loss fund to pay the retention amounts.

Schorr asked whether there are additional things the County could be doing to prevent workers' compensation claims in the County's detention facilities. Eckley said good hiring practices are key, noting potential employees must pass a post-offer physical and a background check. Champoux added that workers' compensation carriers provide loss control services.

Wiltgen inquired about the risk for identity theft. Kerry Eagan, Chief Administrative Officer, said computer security is handled through a contract with the City so the County might have a contractual claim if that occurred. Otherwise, it would have to be addressed through a tort claim. Champoux said they are pricing cyber liability insurance this year and recommended the County consider the coverage.

#### **4 BUDGET UPDATE - Dennis Meyer, Budget and Fiscal Officer**

Dennis Meyer, Budget and Fiscal Officer, noted the County Board will hold a public hearing on the budget at the Tuesday, August 25<sup>th</sup> County Board of Commissioners Meeting. He said property valuations have come in and said property values will increase by 6.60%. Meyer noted he had projected a 5.75 % increase and said the extra 0.85% will generate an additional \$504,000 in property tax revenue. He outlined several options for the extra revenue:

- Set the money aside to cover delinquent taxes (would provide flexibility to use the funds later for another purpose)
- Reduce the County's total levy of 27.83 cents per \$100 of valuation to 27.6083 cents
- Increase the Railroad Transportation Safety District's (RTSD's) levy

Wiltgen said he favors reducing the County's levy. Meyer commented the Board may have to raise the levy next year.

In response to a question from Amundson, Meyer said the County's General Fund cash reserve is \$6,190,000 and felt it should be double that amount.

Schorr said she would like input from Commissioners Avery and Hudkins before making a decision. Meyer said the Board will need to make a decision on Tuesday following the budget hearing and agreed to brief Commissioners Avery and Hudkins prior to that meeting.

Meyer also reported the following:

- A schedule will be attached to the budget resolution to indicate items that have changed since the proposed budget was published
- A resolution will also be scheduled on the Tuesday, August 25<sup>th</sup> County Board of Commissioners Meeting in the matter of exceeding the budgeted restricted funds limit for Fiscal Year (FY) 2014-2015 by an additional 1%
- County Court has submitted a microcomputer request in the amount of \$672 for replacement of a laptop computer that is used for juries

- The cost to upgrade the JD Edwards EnterpriseOne (accounting software) will be more than initially anticipated
- The budget requests for the rural fire districts are within the 15 cent levy authorized for certain political subdivisions

Meyer also reported the Lancaster County Budget Monitoring Committee met last week to review the budget and said no significant concerns were expressed.

## **ADMINISTRATIVE OFFICER REPORT**

### **A. General Assistance (GA) Monitoring Committee County Board Representative**

Eagan noted the Board decided to only have one commissioner serve on the Committee but did not make a designation. Wiltgen offered to remain on the Committee and said he will notify Commissioner Hudkins, the Board's other representative on the Committee. There was consensus to only appoint one representative when new committee appointments are made in January.

### **B. Legislative (Management Team) Retreat Agenda**

Schorr felt the 11:30 a.m. item was confusing and felt it could be addressed during the discussion with Lancaster County State Senators at 8:30 a.m. (see agenda in the agenda packet). It was also suggested that the agenda be revised to indicate a continental breakfast will be served at 8:30 a.m. and discussion with State Senators will begin at 8:45 a.m.

### **5 POTENTIAL LITIGATION AND SECURITY ISSUE - Brittany Behrens, Deputy County Attorney**

**MOTION:** Schorr moved and Wiltgen seconded to enter Executive Session at 9:32 a.m. for the purpose of protecting the public interest with regards to labor negotiations.

The Chair restated the motion for the record.

**ROLL CALL:** Wiltgen, Schorr and Amundson voted aye. Avery and Hudkins were absent from voting. Motion carried 3-0.

**MOTION:** Schorr moved and Wiltgen seconded to exit Executive Session at 9:55 a.m. Schorr, Wiltgen and Amundson voted aye. Avery and Hudkins were absent from voting. Motion carried 3-0.

## **ADMINISTRATIVE OFFICER REPORT**

C. Request from Dave Watts, 1701 North 112th, to Extend Driveway

There was general consensus to schedule discussion of the request with Dave Watts on a future Staff Meeting agenda.

H. Request from Bo Jones, 3801 West Bucks Drive, to Place Sprinklers in County Right-of-Way (ROW)

The Board agreed to schedule discussion of the request with Bo Jones on a future Staff Meeting agenda.

**6 LABOR NEGOTIATIONS** - Doug McDaniel, Lincoln-Lancaster County Human Resources Director; Nicole Gross and Amy Sadler, Compensation Technicians; Kristy Bauer, Deputy County Attorney; Pam Dingman, County Engineer; Sheli Schindler, Youth Services Center (YSC) Director

**MOTION:** Schorr moved and Wiltgen seconded to enter Executive Session at 9:57 a.m. for the purpose of protecting the public interest with regards to labor negotiations.

The Chair restated the motion for the record.

**ROLL CALL:** Wiltgen, Schorr and Amundson voted aye. Avery and Hudkins were absent from voting. Motion carried 3-0.

**MOTION:** Schorr moved and Wiltgen seconded to exit Executive Session at 10:14 a.m. Schorr, Wiltgen and Amundson voted aye. Avery and Hudkins were absent from voting. Motion carried 3-0.

## **7 CONSENT ITEMS**

There were no consent items.

## **8 ADMINISTRATIVE OFFICER REPORT**

- A. General Assistance (GA) Monitoring Committee County Board Representative
- B. Legislative (Management Team) Retreat Agenda
- C. Request from Dave Watts, 1701 North 112th, to Extend Driveway

Items A-C were moved forward on the agenda.

- D. Request to Meeting with the County Board from David Sprecher, Wildlife Biologist, United States Department of Agriculture (USDA)

There was consensus to meet with Sprecher during a Staff Meeting.

- E. Request for Submission of Interested Person from the Southeast District to Service as Secretary/Treasurer on the Nebraska Association of County Officials (NACO) Board for the Upcoming Year

Item was held.

- F. Legislative Resolution (LR) 228 (Interim Study to Examine the Commission of Industrial Relations) Letter to State Senator Burke Harr

Kerry Eagan, Chief Administrative Officer, provided copies of a draft letter to Board members and asked them to submit any revisions to him. Wiltgen provided his revisions to Eagan. **NOTE:** The County Clerk's Office was not provided a copy of the draft letter.

- G. Management Team Meeting Agenda (September 10, 2015)

Item was held.

- H. Request from Bo Jones, 3801 West Bucks Drive, to Place Sprinklers in County Right-of-Way (ROW)

Item was moved forward on the agenda.

## **9 PENDING**

There were no pending items.

## **10 DISCUSSION OF BOARD MEMBER MEETINGS**

- A. Information Services Policy Committee (ISPC) - Wiltgen

Wiltgen said he did not attend the meeting.

- B. County Budget Monitoring Committee - Avery, Hudkins

No report.

C. Parks and Recreation Advisory Board - Hudkins

No report.

D. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Wiltgen

Wiltgen said he gave an update on the County budget. He said there was also discussion of the Tax Increment Financing (TIF) for the new Hudl headquarters in the West Haymarket and the Mayor's proposal for funding the Railroad Transportation Safety District (RTSD).

E. Parks and Recreation Futures Committee - Hudkins

No report.

F. Visitors Improvement Committee (VPC) - Amundson

Amundson said the VPC voted to recommend approval of a \$90,000 grant to the Lincoln Parks and Recreation Department for a 10-mile trail and tallgrass prairie corridor along the Haines Branch, a tributary of Salt Creek. The prairie corridor will connect the Pioneers Park Nature Center and the Spring Creek Prairie Audubon Center near Denton, Nebraska. She disseminated information regarding the grant request to Board members. **NOTE:** A copy was not provided to the County Clerk's Office.

**RETURNING TO ITEM 8E**

Schorr said, after further consideration, that she would like the Board to nominate her for the NACO Board Secretary/Treasurer position on the Nebraska Association of County Officials (NACO) Board. There was consensus to send a letter nominating Schorr for the position, with signature by the other Board members.

**RETURNING TO ITEM 8G**

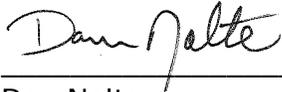
The following agenda items were suggested: 1) On-line training options covering a variety of topics; 2) Interpreter contracts; 3) Preparing for Fiscal Year (FY) 2016-2017 Budget; and 4) Professional education/speakers.

**11 EMERGENCY ITEMS AND OTHER BUSINESS**

There were no emergency items or other business.

**12 ADJOURNMENT**

**MOTION:** Schorr moved and Wiltgen seconded to adjourn the meeting at 10:35 a.m. Schorr, Wiltgen and Amundson voted aye. Avery and Hudkins were absent from voting.

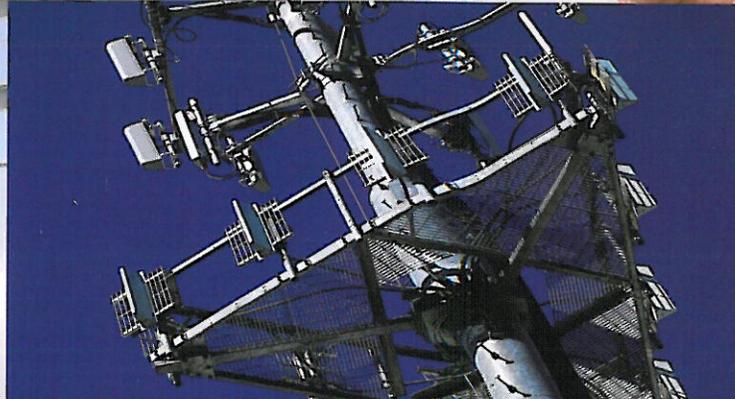
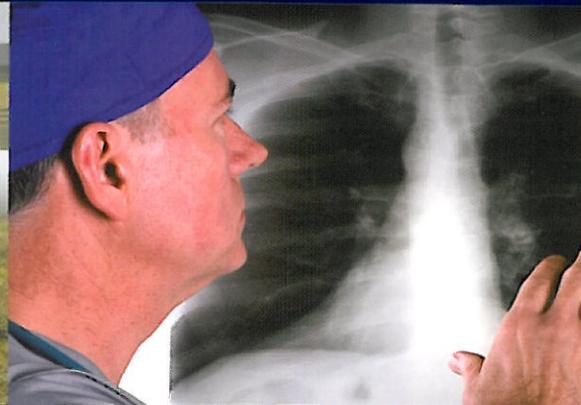
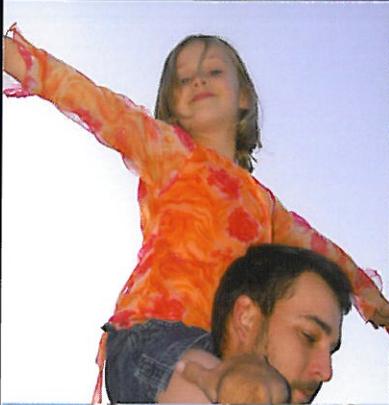


Dan Nolte  
Lancaster County Clerk





# UNICO



*The Key to Our Success is YOU!*



# UNICO Group, Inc.

## Insurance Program Proposal

Prepared for:



*Presented by:*

***Thomas W. Champoux, CPCU, AIC, CWCA  
Nadine Rohan, CWCS***

*August 20, 2015*

***UNICO Group, Inc.***

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This presentation is designed to give you an overview of the insurance coverages we are offering for your company. It is meant only as a general understanding of your insurance needs and should not be construed as a legal interpretation of the insurance policies that will be written for you. Please refer to your specific insurance contracts for details on coverages, conditions and exclusions.

## Agency Personnel/Service Team

At UNICO, we are committed to hands on personal service in coordinating and assisting you with your insurance and risk management program. Your UNICO team is:



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August, 2015

# COVERAGE OVERVIEW FOR LANCASTER COUNTY

## **Commercial Property: Continental Western Group (Union) (2400988-35)**

Limits: \$150,158,950 Combined Blanket Limit – all property (excluding inland marine), various deductibles

This insurance covers everything related to the loss and damage of company property due to a wide-variety of events such as fire, smoke, wind and hail storms, civil disobedience, and vandalism. The term Property includes lost income, business interruption, buildings, and business personal property

## **Commercial Inland Marine: RLI Insurance CO (ILM0703605)**

Limits/Locations: 4621 NW 45<sup>th</sup> Street - \$2,000,000 contents w/\$5,000 deductible

Lot 4 Old Schoolhouse Addition – Craig Dodge Statue \$40,866 w/\$1,000 deductible

This coverage indemnifies loss to movable or specialized types of property, historically developing as an outgrowth of ocean marine insurance. This category of insurance includes property coverage for construction equipment, medical diagnostic equipment, fine arts, solar panels and wind turbines, cameras and movie equipment, musical instruments, and a wide variety of other types of property.

## **Public Entity/Law Enforcement Liability: Gemini Insurance Company (PEM 000049-00)**

Limits: \$4,750,000 Each Occurrence Comprehensive General Liability  
\$250,000 Retention includes Public Officials & Employee Benefits Liability  
\$250,000 Retention-Pursuit Vehicles (sheriff)

This policy covers wrongful acts of public officials/board members, law enforcement and pursuit vehicles liability, etc. It also provides coverage for wrongful employment acts, EEOC defense costs, etc.



# COVERAGE OVERVIEW FOR LANCASTER COUNTY

## **Master Business Auto: Continental Western (2375674-33)**

Limits: \$1,000,000 Bodily Injury, Comprehensive/Collision - \$1,000/\$1,000

It covers the county's use of cars, trucks, vans and other vehicles in the course of carrying out its **business**. Coverage may include vehicles owned or leased by the company, hired by the company, or employee-owned vehicles used for **business** purposes.

## **Sheriff's Business Auto: Continental Western (CA2650205-29)**

Limits: Physical damage – comprehensive/collision - \$1,000/\$1,000

Sheriff's autos are covered under the Gemini policy for liability subject to a \$250,000 retention.

## **Boiler/Machinery Coverage –Cincinnati Insurance – (BEP2666826)**

Limits: \$5,000,000 Deductible - \$5,000

It provides coverage for physical damage to and financial loss from equipment breakdown. Boiler and machinery insurance, also called equipment breakdown insurance, covers: (1) the cost of repairing or replacing the damaged equipment, and (2) business losses incurred from the equipment not functioning. This type of insurance can cover a wide range of equipment, including HVAC systems, ovens, boilers and furnaces, refrigeration units, elevators, and office equipment.

## **Crime: Hartford Insurance (91FA0237056-14)**

Limits: \$1,000,000 Employee Dishonesty  
\$1,000,000 Computer Fraud  
\$250,000 Theft  
Each coverage with \$10,000 deductible

This coverage typically provides several different types of crime coverage, such as: employee dishonesty coverage; forgery or alteration coverage; computer fraud coverage; funds transfer fraud coverage; kidnap, ransom, or extortion coverage; money and securities coverage; and money orders and counterfeit money coverage. Also includes faithful performance of duty coverage.



# COVERAGE OVERVIEW FOR LANCASTER COUNTY

## **Workers' Compensation: Midwest Employers (EWC008646)**

Limits: Statutory, \$900,000 Self Insured Retention

Workers' compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

## **Flood Insurance: American Bankers Insurance Co. (1961534704, 1961534703, 1961534702)**

Limits: specific to the following locations;

444 Cherrycreek (\$500,000 building/\$500,000 contents w/\$5,000 deductible)  
443 Cherrycreek (\$500,000 building/\$500,000 contents w/\$5,000 deductible)  
500 West O Street (\$457,000 building/\$121,600 contents w/\$5,000 deductible)

The generic definition of flood is a general and temporary condition where two or more acres of normally dry land or two or more properties are inundated by water or mudflow. Flood maps show the risk for areas in the community.

## **Fiduciary Liability: Travelers Casualty & Surety Insurance Company (106179710)**

Limits: \$5,000,000 Aggregate; \$5,000 deductible

Under the Employee Retirement Income Security Act of 1974 (ERISA), **fiduciaries** can be held personally liable for losses to a benefit plan incurred as a result of their alleged errors or omissions or breach of their **fiduciary** duties.

An individual or corporation is considered a fiduciary if that person or entity exercises discretionary authority or control over the management of any employee benefit plan. A fiduciary is responsible for performing his or her duties with respect to the plan solely in the interests of the participants and beneficiaries for the exclusive purpose of providing benefits to such participants and beneficiaries. A fiduciary must minimize the expenses of administering the plan, and must diversify the plan's investments in order to reduce the risk of large losses.



# COVERAGE OVERVIEW FOR LANCASTER COUNTY

**General/Medical Professional Liability: Landmark American Insurance Company  
(LHC747395)      Mental Health Crisis Center of Lancaster County**

Limits: \$1,000,000 Per Person, \$3,000,000 Aggregate

The company will pay on behalf of the Insured, as shown in the declarations, all sums that the Insured becomes legally obligated to pay as damages and associated claim expenses arising out of a negligent act, error or omission, even if the claim asserted is groundless, false or fraudulent, in the rendering of or failure to render professional services as described in the business description on the declarations.

**General Liability/Excess Liability: Continental Western (CPA2358811-34)  
Lancaster County Public Building Commission**

Limits: \$2,000,000 Aggregate,  
\$1,000,000 Occurrence,  
\$5,000 Medical Payments  
w/\$4,000,000 Excess

A standard insurance policy issued to business organizations to protect them against liability claims for bodily injury (BI) and property damage (PD) arising out of premises, operations, products, and completed operations; and advertising and personal injury (PI) liability.



08/20/2015

## CO-INSURANCE DEFINITIONS

### WHAT DOES CO-INSURANCE MEAN?

A policy may contain a co-insurance provision requiring that the limits of insurance be a minimum percentage (usually 80%) of the insurable value of your property. If the limits of your policy are less than what is required by this provision, then any claim payment made to you may be reduced by the same percentage as the deficiency.

### EXAMPLE

Property Value	=	\$ 100,000
Insurance Required	=	\$ 80,000
Insurance Carried	=	\$ 60,000
Amount of Loss	=	\$ 10,000

Since the amount of insurance carried is 25% less than the amount required (\$80,000 as shown above), then any loss paid to you by the insurance carrier would be reduced by 25%. Below is an example of how the amount paid would be calculated.

### CO-INSURANCE CALCULATION

$$\frac{\text{Insurance Carried } (\$60,000)}{\text{Insurance Required } (\$80,000)} = .750 \text{ (percentage of the loss to be paid)}$$

$$\text{Amount of Loss} = (\$10,000) \times .750 \text{ (the percentage paid)} = \$7,500.$$

Based on the above example, you would be paid **\$7,500 minus any deductible** that applies.

**\*\*Notify your agent immediately when you have a substantial increase in the value of your building or contents in order to avoid any possible co-insurance penalties.**

## COVERAGE DEFINITIONS

### **AUTOMOBILE:**

**Automobile:** This policy can provide a combination of liability protection and physical damage coverage for loss due to damage to vehicles owned, maintained, or used by you. Additional coverages such as medical payments and uninsured motorist protection can be purchased to "customize" the policy to fit your business.

**Automobile Liability:** This coverage is used to protect against claims alleged for bodily injury and property damage arising from the ownership, maintenance or use of any covered auto.

**Collision:** This coverage is used to insure against loss or damage to a covered vehicle resulting from collision or upset.

**Combined Single Limit:** Combined single limit coverage specifies that regardless of the number of covered autos, insureds or claims occurring in any one accident, the most that you can recover is the limit of liability shown on the policy's declaration page. This includes damage associated with bodily injury, property damage and pollution costs or expenses.

**Comprehensive:** This coverage is used to insure against loss or damage to a covered vehicle resulting from loss other than collision or upset.

**Drive Other Car:** This endorsement is used to protect employees or other specified individuals when they borrow or rent cars for personal use, and do not have the protection of a Personal Auto policy.

**Hired Auto Liability:** This coverage is used to protect against claims arising out of the use of vehicles leased, hired, rented or borrowed by you, or your employees, while in the course of business.

**Medical Payments:** This coverage is used to pay for medical expenses incurred by a covered person injured while driving or riding in your automobile. It provides coverage, regardless of fault, for all reasonable medical costs incurred for up to one year from the date of the accident. It does not cover injury to employees.

**Non-Owned Auto Liability:** This coverage is used to provide liability protection for autos used in your business that are not owned, leased, hired, rented or borrowed. This includes autos of employees and subcontractors that are used on your behalf.

**BUSINESS INCOME:**

**Business Income:** Provides insurance for loss of net profits and continuing expenses (including necessary payroll) due to suspension or interruption of business due to a loss from an insured peril.

**Earnings Insurance:** A form of business interruption coverage which provides a monthly limitation.

**Extra Expense:** This coverage pays for the additional costs of keeping a business in operation after a loss, either at the insured location or at a substitute location.

**Rental Value Insurance:** Rent insurance protects building owners against the loss of income where rentals have been interrupted or rental value impaired by occurrence of any of the hazards insured against. This is Business Interruption insurance for the landlord, assuring continuous income while the building is untenable.

**CRIME:**

**Employee Dishonesty:** Indemnifies for loss due to embezzlement or wrongful abstraction of money, securities or other property by employees.

**Theft, Disappearance, and Destruction:**

**Inside Coverage:** Provides coverage for loss of money and securities caused by theft, disappearance, or destruction. Coverage also applies to any banking premises.

**Outside Coverage:** Provides coverage for loss of money and securities in the care and custody of a messenger caused by theft, disappearance, or destruction.

**Fiduciary Liability:** Covers acts or omissions of individuals who have discretionary responsibility involving a designed pension or profit sharing plan or newly created plan

**Forgery:** Covers loss resulting from forgery or alteration of any checks, drafts, promissory notes, or similar promises.

**EXCESS/UMBRELLA LIABILITY:**

**Excess Liability:** Provides protection against catastrophic liability claims. Coverage is excess over your primary liability policies and is subject to policy conditions and exclusions.

**GENERAL LIABILITY:**

**Advertising Injury:**

- A. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services.
- B. Oral or written publication of material that violates a person's right of privacy.
- C. Misappropriation of advertising ideas or style of doing business.
- D. Infringement of copyright, title or slogan.

**Blanket Contractual:** Coverage is provided for Bodily Injury and Property Damage arising out of liability assumed under written or oral contracts.

**Broad Form Property Damage:** This form excludes property damage to property owned, occupied or rented by the insured but covers property damage to property in the care, custody and control of the insured with the exception of property upon which the operation is being performed.

**Claims Made:** This coverage will provide protection for only those claims reported or first made during the policy period or during any previous policy period that is stated in the Prior Acts or Retroactive Date option of your policy. This option allows you to keep coverage in force under consecutive Claims-Made policies.

**Employees as Additional Insureds:** Coverage is extended to all employees as additional insureds.

**Fire Legal Liability:** Fire damage to structures while rented or leased to the named insured.

**General Liability:** Provides in a single contract insurance needed to cover liability for injuries or property damage sustained by members of the public. It covers accidents occurring on your premises or away from your premises as a result of business operations. It automatically covers certain hazards which do not now exist, but which may develop during the life of the policy.

**Host Liquor Liability:** Coverage is provided for the insured serving alcoholic beverages at functions incidental to the insured's business provided he is not in liquor, or related, business.

**Incidental Medical Malpractice:** Coverage is provided for rendering - or failure to render - medical care to others.

**Independent Contractors:** Independent Contractor's Liability Insurance provides for payment on behalf of the insured of all sums which the insured shall become legally obligated to pay damages because of Bodily Injury or Property Damage caused by an occurrence and arising out of (1) operations performed for the named insured by independent contractors or (2) acts or omissions of the named insured in connection with his general supervision of such operations (other than (a) maintenance and repairs at premises owned by or rented to the named insured

and (b) structural alterations at such premises which do not involve changing the size of or moving buildings or other structures).

**Limited Worldwide Liability:** Covers liability arising out of the activities of the named insured and his employees while temporarily outside the United States, its' territories or possessions or Canada, provided the original suit for damages is brought within the United States, its' territories or possessions or Canada.

**Medical Payments:** Pays for medical expenses for bodily injury caused by accident on your premises or because of your operations regardless of fault. Payments not to exceed applicable limit of insurance.

**Non-Owned Watercraft (under 26 feet in length):** Extends coverage to cover boats used by but not owned by the named insured, nor used to carry persons for a charge.

**Occurrence Form:** This form provides coverage for claims arising out of an accident which results in bodily injury or property damage neither expected nor intended. The form covers such claims that occur during the policy period regardless of when the claim is mad against you.

**Personal Injury:**

- A. False arrest, detention or imprisonment.
- B. Malicious prosecution.
- C. Wrongful entry into or eviction of a person from a room, dwelling or premises that the person occupies.
- D. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services.
- E. Oral or written publication of material that violates a person's right of privacy.

**Products and Completed Operations:** Products and Completed Operations includes all bodily injury and property damage occurring away from premises you own or rent and arising out of 'your product' or 'your work' except products that are still in your possession and work that has not yet been completed or abandoned.

**PROPERTY:**

**Accounts Receivable:** Covers accounts receivables on a special coverage "all risk" basis. Includes sums due the insured from customers which are uncollectible due to loss or damage to records of accounts receivable, collection expenses in excess of normal, and other reasonable expenses to re-establish records of accounts receivable.

**Building:** This insurance provides coverage against direct physical damage to the buildings or structures you own or are required to insure by reason of contract or agreement.

**Business Personal Property:** This insurance covers office contents (furniture, equipment and supplies), your inventory, materials, supplies, fixtures, equipment, machinery, tenants improvements and betterments at the described premises against risks of direct physical loss from external causes.

**Cause of Loss - Basic Form:** Perils covered under Basic Form include Fire, Lightning, Explosion, Windstorm or Hail, Smoke, Aircraft or Vehicles, Riot or Civil Commotion, Vandalism, Sprinkler Leakage, Sinkhole Collapse, Volcanic Action.

**Cause of Loss - Broad Form:** Perils covered under Broad Form Causes of Loss include the identical perils as the Basic Form with the addition of Breakage of Glass, Falling Objects, Weight of Snow, Ice or Sleet, Water Damage, Collapse.

**Cause of Loss - Special Form:** The covered causes of loss under this form are "risks of physical loss" unless the loss by the peril is excluded or limited. Standard exclusions under this form include Ordinance of Law, Earth Movement, Government Action, Nuclear Hazard, Power Failure, War and Military Action, Water - Flood, Backing Up of Sewers, etc, Artificially Generated Electric Current, Delay, Loss of Use of Market, Wear and Tear, Dishonest or Criminal Acts, Rain, Snow, Ice or Sleet to Property in the Open.

**Coinurance Clause:** An agreement in a policy wherein the insured agrees to insure a stated percentage of the value at risk, in return for which a reduction in rate is granted. It is used on both property and time element policies.

**Electronic Data Processing Equipment:** Covers electronic data processing equipment, other machines related to data processing operation, and media on a special coverage basis.

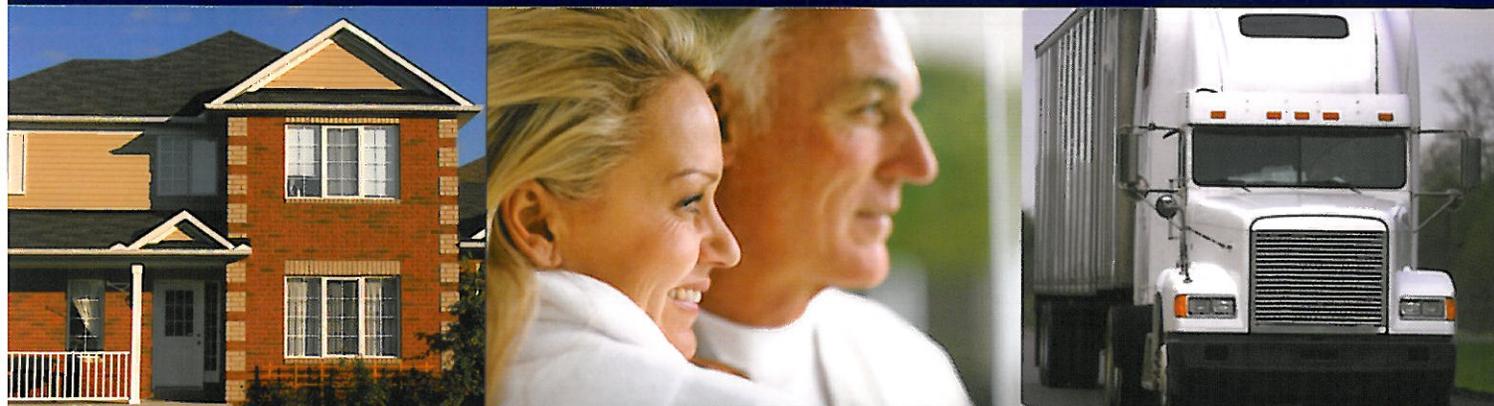
**Glass:** Covers described glass, lettering, ornamentation, for loss caused by breakage or accidental or malicious application of chemicals. Limited protection is provided in your Property policy, but the additional coverage is needed to ensure that adequate insurance is available. Besides covering the scheduled glass, this insurance will pay for the costs to repair or replace the frames, installation of temporary glass or the removal of obstructions in the event of loss.

**Replacement Cost:** This endorsement provides coverage on the basis of full replacement cost without deduction for depreciation on any covered loss sustained subject to the limits, terms and conditions of the policy including the

co-insurance clause. In arriving at the proper amount of insurance to comply with the co-insurance clause no deduction is taken for depreciation.

**Signs:** This insurance provides coverage against direct physical damage to structural or painted signs, whether or not attached to the building.

**Valuable Papers:** Valuable papers and records are covered on a special coverage "all risk" basis. Coverage applies on the insured's premises and is extended to cover while being conveyed outside the premises. Coverage will be specific for irreplaceable items or blanket for items which can be reproduced



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